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Special Cttee on Land Use in Canada
Proceedings, 1960

THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA

No. 1

THURSDAY, MARCH 3, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

WITNESSES:

Mr. S. C. Barry, Deputy Minister; Dr. J. F. Booth, Director, Economics Division; Mr. A. E. Barrett, Assistant to the Director General, Research Branch, and Mr. Ralph A. Stutt, Head, Land Economics Unit, Economics Division, Administration Branch. (All of the Canada Department of Agriculture.)

APPENDIX "A"

A Review of the Rural Development Program in the United States of America, compiled by a Delegation of the Canada Department of Agriculture on the request of The Special Committee of the Senate on Land Use in Canada.

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Methot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)



1018441

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor, (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, March 3, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada, met this day at 11.00 A.M.

Present: The Honourable Senators:—Pearson, *Chairman*; Bois, *Deputy Chairman*; Barbour, Basha, Boucher, Bradette, Buchanan, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Stambaugh, Taylor (*Westmorland*), Taylor (*Norfolk*), Vaillancourt and Wall.—23.

On motion of the Honourable Senator Wall, seconded by the Honourable Senator Horner, the Honourable Senator Taylor (*Norfolk*) was appointed a member of the Steering Committee.

The Clerk of the Committee read the Minutes of a meeting of the Steering Committee held on Thursday, February 18, 1960.

The Committee considered the Report of a Delegation of the Canada Department of Agriculture, made on the Request of the Special Committee of the Senate on Land Use in Canada, on The Rural Development Program in The United States of America.

The following officials from the Canada Department of Agriculture were heard with respect to the said Report:

Mr. S. C. Barry, Deputy Minister; Dr. J. F. Booth, Director, Economics Division; Mr. A. E. Barrett, Assistant to the Director General, Research Branch and Mr. Ralph A. Stutt, Head, Land Economics Unit, Economics Division, Administration Branch.

Further consideration of the Report of the delegation was adjourned.

On Motion of the Honourable Senator Taylor (*Westmorland*) it was ordered that the Report of the Delegation be printed as an Appendix to today's proceedings.

At 12.30 P.M. the Committee adjourned to the call of the Chairman, tentatively set for Thursday, March 10, 1960, at 11.00 A.M.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE

SPECIAL COMMITTEE ON LAND USE IN CANADA

EVIDENCE

OTTAWA, Thursday, March 3, 1960.

The Special Committee on Land Use in Canada met this day at 11 a.m.

Senator Arthur M. Pearson in the Chair.

The CHAIRMAN: Honourable senators, we are very pleased to see a good turn-out for the first meeting of the Land Use Committee. May I say at the outset that we have a good program for this session. To start off, I will ask Mr. MacDonald, the clerk of the committee, to read the Minutes of the Steering Committee, which was the first meeting held.

The CLERK of the COMMITTEE: Tuesday, February 23rd, 1960. Pursuant to notice the Steering Committee of the Special Committee of the Senate on Land Use in Canada met this day at 2.30 p.m.

Present: The Honourable Senators Pearson, *Chairman*; Bois, *Deputy Chairman*; Basha, Inman, McDonald, Smith (*Kamloops*) and Taylor (*Westmorland*).—7.

In attendance: Dr. J. F. Booth, Director, Economics Division, Department of Agriculture and Mr. Ralph A. Stutt, Head, Land Economics Unit, Economics Division, Department of Agriculture.

The chairman informed the committee that Mr. Stutt's services would again be available to the committee as a special consultant.

Dr. Booth informed the committee that pursuant to the recommendations of the committee the federal Government, through the Department of Agriculture, had appointed delegates to study and report on the Rural Development Program in the U.S.A. The delegation was composed as follows: Dr. J. F. Booth, Director of the Economic Division of the Administration Branch (*Leader*); A. E. Barrett, Assistant to the Director General of the Research Branch; S. F. Shields, Regional Director of the Prairie Farm Rehabilitation Administration; and Ralph A. Stutt, Head, Land Economics Unit, Economics Division.

Dr. Booth stated that the delegation had prepared a report for submission to the committee and that he expected it would be available for presentation on or about Thursday, February 25th, 1960.

The committee considered witnesses to be heard at future meetings, and it was resolved that Dr. Booth and Mr. Stutt would be heard at the next meeting of the committee, tentatively set for Thursday, March 3rd, 1960, at 11.00 a.m. It was also suggested that Mr. Shields and Mr. Barrett be heard at a future meeting of the committee, possibly on Thursday, March 10th, 1960 at 11.00 a.m.

On motion of the Honourable Senator Bois it was resolved to request Brigadier Rutherford, Director, Farm Credit Corporation to appear at a future meeting of the committee.

Dr. Booth and Mr. Stutt presented a proposed outline of program of the Committee for the present session under the following headings:

- I. General theme;
- II. Areas of investigation;
- III. Suggested scope of presentation by witnesses;
- IV. Some suggested points to cover in areas of investigation:
 - A. Agriculture;
 - B. Forestry;
 - C. Industry and labour;
 - D. Recreation and tourist trade;
 - E. Education;
 - F. Leadership;
 - G. Public Relations.

A tentative list of bodies to present briefs to the committee was presented.

Dr. Booth and Mr. Stutt received a unanimous vote of thanks for the splendid contribution they have made to the committee's deliberation.

At 3.30 p.m. the committee adjourned to the call of the chairman.

The CHAIRMAN: Honourable senators, on going through the list of members of the Steering Committee I noticed that we have every other province in the Dominion represented except Ontario. I went to see Senator Taylor from Norfolk, and I asked him if he felt he was able to join the Steering Committee, and he said he was in very good health this year and was able to take part in the work. I will ask him if he would stand. Will somebody move that Mr. Taylor be added to the membership of the Steering Committee?

Senator HORNER: I so move.

Some Hon. SENATORS: Agreed.

The CHAIRMAN: We have with us Mr. S. C. Barry, the new Deputy Minister of Agriculture in Ottawa. Mr. Barry is a graduate of the University of British Columbia. He graduated more years ago than he would care to remember, sometime just after the First World War. Mr. Barry became associated with the Department of Agriculture in 1925, I understand, and he has been gradually working his way up in that department. He was associated with the Production Branch, being concerned with poultry, and later he became associated with the sale, and such like, of stock during the period of the foot and mouth disease problem, and he made a very fine showing, I understand, in regard to the disposal of meats at that time.

He is also interested, and has worked considerably with, the Research Branch, with particular emphasis on the pathology of animals. He has an all-around knowledge of the affairs of the Department of Agriculture.

That is just a brief summary of what I know of Mr. Barry, and I would ask him now to introduce the other members of his group who are here today from the Department, and after that we will hear from Dr. Booth.

Senator Taylor (*Westmorland*): Mr. Chairman, I would like to say a word or two myself in connection with Mr. Barry. I am probably one of the members of this committee who have been most associated with him over a

good many years in the agricultural work of Canada, and I can assure you that those of us who have been in the field of the administration of the policies of the Government with respect to agriculture throughout Canada consider Mr. Barry as one of the top men in Canada, and we have so considered him for many years. His promotion to the position of Deputy Minister of Agriculture gave me a great deal of satisfaction.

Mr. BARRY, *Deputy Minister of Agriculture*: Mr. Chairman and honourable senators, may I express my appreciation to you, Mr. Chairman, and to Senator Taylor, for those remarks. I know that I do not need to assure this committee of the desire of our department to be of any assistance we can be to you in the responsibilities you have in your committee work. We have had—and I am very pleased that we have been able to do it—over the period of your deliberations certain of our people act in a consultative capacity to your committee. Last year, as has been said, we arranged at your request to have a group of our people conduct a survey or study in the United States on the rural development program in that country, and that is to be reported on at this point.

As you know, the composition of that committee was Dr Booth, who is on my right, and who is the Director of our Economics Division; Mr. Stutt, at the end of the table, who is in the Land Economics Unit of the Economics Division and who has been associated with your committee in the past; and Mr. Barrett; who is next to Dr. Booth, is with our Research Branch. With respect to this total field of land use and land conservation our Research Branch is intimately associated with many facets of the total problem, and Dr. Barrett represents that section of our interest. The fourth member of the committee is Mr. Shields from our Prairie Farm Rehabilitation Administration in Saskatchewan. Mr. Shields has had a wide background in the rehabilitation of farmers from dried-out areas in Western Canada and specifically with those settled on irrigated lands in Alberta, and experience in general irrigation work carried on by P.F.R.A.

When we were asked to make a selection of a committee to undertake this study of the United States Rural Development Program we felt these four would constitute the type of people with varying backgrounds who could do this most adequately, and I can only say from my perusal of the report which they have presented to you that they have done a worthwhile job in this connection.

That is all I have to say, Mr. Chairman, and I think it is now your intention that Dr. Booth should carry on.

The CHAIRMAN: Thank you. We have this report, and I think most of you have received a copy of it. Dr. Booth has made a resumé of it, and he will now read it, and he is willing to answer questions as he goes along. That will start off our program of discussion of the Rural Development Program in the United States.

DR. J. F. BOOTH, Director, Economics Division, Administration Branch, Department of Agriculture:

Mr. Chairman, Honourable Senators, it is a distinct pleasure for me, as leader of a delegation of the Canada Department of Agriculture, to present our report on the Rural Development Program in the United States and to make some general remarks of explanation. In these remarks I will deal with some of the highlights of the Program and make a general summary.

It is hoped that the scope and activities of the Program may be further conveyed to you by reference to specific parts of our report and by answers to questions. I bespeak for my colleagues permission to take part in discussion and to answer questions.

The delegation started its study of the Rural Development Program in September 1959 at Washington, D.C. Here we were taken in hand by Messrs. Paul V. Kepner and L. I. Jones, Deputy Administrator and Field Representative, respectively, of the Federal Extension Service, United States Department of Agriculture. These gentlemen arranged at the outset for an interview with True D. Morse, the Undersecretary of Agriculture and we spent a very interesting and profitable two hours with Mr. Morse. Then followed two main conferences in Washington, the first of which was with representatives of the various Services and Agencies of the U.S. Department of Agriculture and the second with representatives of the specific sections of other federal government departments and independent agencies associated with the program.

After this initial look at the program from a national viewpoint the delegation went to seven different States in the order of Kentucky, Wisconsin, Minnesota, Michigan, Washington State, Montana and Maine. All the members of the delegation took part in the investigations in the first four States, two members in the case of the western States of Washington and Montana, and three members visited the State of Maine.

The delegation has nothing but praise and admiration for the kind and untiring efforts of all the people at federal, state and local levels to acquaint us with the basic tenets and principles of the Program. This assistance included the opportunity to observe a sample of county and area development projects in each State. In addition to full day schedules, several evening meetings were arranged. The term of the discussions and observations covered a period of approximately three weeks.

States visited:

Outside of the visit to Kentucky, which was made at the particular recommendation of the Program officials in Washington, D.C., all the other States visited were in the northern part of the country. They bordered on areas in Canada which have similar physical and other conditions. This was a distinct advantage for it enabled us to present a review of activities which are being carried on to deal with conditions of land use, small farms and low income which are the main concern of your Committee.

The Rural Development Program was started in 1955 in the United States to carry out a national policy of farm, industry and community development and is particularly focussed on disadvantaged rural areas. When people in a rural area are willing to devote their energies to this objective in terms of contributions of time, resources and skill and to organize under local leadership, agencies of the government under the stimulus of the Rural Development Program give all the help possible within the framework of the regular technical and financial assistance programs. From the viewpoint of national administration, rural development is a method of supplementing and redirecting all the regular programs in order to gain more effectively the fundamental objective of area economic development.

Reasons for program:

The main points leading up to the launching of the Rural Development Program are covered in a broad way in chapter II of the report and we have no intention of repeating them at this time. Suffice it to say here that the build-up of the program results from a relatively long experience in different kinds of governmental programs and from a more recent concern over the

plight of farm and non-farm people with low incomes in many rural communities. A particular type of program has developed in which the emphasis is on self-help with aid from federal and state governments and private bodies in a technical and financial assistance role. In this program all the different elements of society in a community are brought together to solve common problems by taking a look at their resources, by working out plans by study and group discussions, and by community action.

The CHAIRMAN: Dr. Booth, may I interrupt for a minute? As to this Rural Development Program what groups actually worked together in co-operation with the federal and state people, or were there different groups in different counties?

Dr. BOOTH: Yes, the set-up varied somewhat, I think in all cases there is a state committee to begin with and then county committees below that, and then various groups formed within the counties even down to communities. All interested parties in the communities are represented, not only the federal and state service people, who acted in a guiding capacity, but also members of the local chamber of commerce, various school and church groups, businessmen, representatives of forestry and small industries, and so on, a widespread representative group of people embracing all elements within the communities.

Two important facts stand out with regard to direction of activities under the Rural Development Program. It is pretty well recognized and accepted in the United States that area economic development in fields outside agriculture offers the best opportunities for improved levels of living. This is not to say that efforts to increase income and improve living conditions through developments within agriculture are not important. Secondly, technological and scientific advances have permitted more output of agricultural products per worker and this rate continues to rise. Thus less and less people are needed on farms. Unless opportunities are available for gainful employment in other fields, serious underemployment conditions arise in rural areas.

Income from farm and non-farm sources:

I would like to support the above statement with some information that has come to hand since we wrote our report. The U.S.D.A. bulletin "Agricultural Economics Research" for January 1960 contains an article in which a comparison of income from farming and from off-farm sources is made. For 1955 it is shown that the income of the farm population in the United States was \$11.8 billion from farming operations and \$7.6 billion from off-farm sources. In other words supplementary income contributed 39 percent of the total \$19.3 billion obtained by the farm population.

Senator WALL: May I ask whether this was a sampling study?

Dr. BOOTH: Yes, I believe this was a sample study, embracing the year 1955, and it was a very large sample.

It appears that where per capita income from farming is low dependence upon non farm sources of income generally is high. In the North East Region per capita income from farming was low and income from off farm sources accounted for 52 percent of the total per capita income of farm operator households. In the South Atlantic and East South Central Regions per capita farm incomes was also low and income from off farm sources equalled 42 and 43 percent, respectively. In the Pacific, Mountain and West North Central Regions, on the other hand, per capita farm incomes were relatively high and in these regions income from off farm sources was relatively low.

The extent to which farm families in the various regions were able to supplement their incomes from non farm sources depended largely upon the availability of job opportunities. In the Pacific and North East Regions industry is heavily concentrated. The income of farm families from non-farm sources in these regions was greater than farm family income from such sources in

other regions. The relatively low level of industrialization in the West, North Central, South Atlantic and East South Central Regions limited the off-farm earning of farm families in these areas.

Not a separate program:

It should be clear at the outset that the Rural Development Program is not separate or apart from the regular activities of the U.S. Department of Agriculture or other departments to improve living standards in under-developed rural areas. Its main objective is to bring about beneficial economic change in these areas through three broad avenues, first, to assist families wishing to remain in the occupation of farming to attain the most modern and efficient means of production and commensurate level of living; second, to expand existing and new industries in these areas and thus widen the extent of off-farm job opportunities; and third, to help people in these areas enjoy better opportunities for adequate education, vocational training and improved health.

The principal responsibility for carrying forward the Program rests with community leaders working with agency representatives in the counties. Only when local support and participation is forthcoming can success be assured.

While no special agency of the government is responsible for the Program there is at the national level a "Committee for Rural Development" consisting of the Undersecretaries of the Departments of Interior; Commerce; Agriculture; Labor; Health, Education and Welfare; the Administrator of the Small Business Administration; and a member of the President's Council of Economic Advisers. This group has responsibility for program direction and for coordination with state committees.

Senator WALL: Have you any idea if this administrator of the Small Business Administration is a very important and far-reaching aspect of the promotion of small industries, and so on? I mean, that is very important in the context of what we are discussing.

Dr. BOOTH: I do not know that I am in a position to give an authoritative statement on that aspect of the program. We did meet a representative of that organization who came to present their activity to us in Washington, and everywhere we went in the States we encountered members of the agencies in the local areas who were also concerned with that activity. It is my impression from contact with them and from some general knowledge of what is taking place in the United States that this is a very important phase of the whole program.

Mr. STUTT: If I may interject I think you will find on page 19 of the report a reference to the work of the Small Business Administration.

Senator WALL: Yes, I think I read that, Mr. Stutt.

Dr. BOOTH:

Emphasis on state and local responsibility:

Rural development is basically a state and local responsibility. Representation at the state level is generally on the basis of the principal agencies and organizations in the field of agriculture, industry development, education, health and social welfare. The state agricultural extension service is usually the leading agency, being in a position to supply the state committee with services that help to lay the ground work for discussion, help implement committee decisions and improve coordination among the various agencies and organizations. The state committee selects the pilot counties of areas and provides assistance to local leaders to organize and maintain a development

program. This committee furnishes to county and area committees whatever research, technical and advisory help is deemed necessary to move the program forward at the local level.

Rural development has been called "a people's program" by a leader in one of the pilot counties in the south eastern part of the United States. This is not an overstatement by any means since the real core and key to success of the Program lies with the local county or area committee of lay people. The principal responsibility for the Program is shown clearly in the formation of the county or area (a number of counties) development committees. They are really planning groups of local citizens within the communities such as farmers, businessmen, bankers, professional men, church leaders and so on.

The county or area committees stimulate local interest and initiative, take the lead in short and long range planning and execution of development projects. They also perform three general functions which are extremely important to ensure smooth functioning of any community project. These are (1) the cementing of farm-town relations, (2) coordination of effort and focussing of objectives of all different groups towards the common good, and (3) to serve to direct attention to basic economic and social needs.

The local county or area rural development committees are similar in nature to many development councils or organizations formed to promote community growth. Most of us are acquainted with these groups in their campaign work. Probably one difference is the focus on resource development of a specific area and the linking together of similar interest groups through subcommittees of the over-all county or area committee.

It should be observed that the duties of a rural development committee, at least those of specific sub-committee groups, are often performed within the framework of the program in pilot counties by existing bodies such as the local chamber of commerce or development bodies. In actual fact it was the inspiration and example provided by such groups that provided the impetus of the development of the program.

I am sure you are aware of, and will note further in our report, the large number of national and State government agencies and private organizations that participate in the program. In the United States, government groups provide help to the people on a cooperative basis by means of grants-in-aid and many other joint federal-state arrangements. Usually these are formally set up on a regular continuing basis through legislative action. This enables an exchange of information and guidance regarding the Rural Development Program among state, regional and federal offices of these agencies on a regular basis.

Importance of federal-state Extension Services:

In addition to these arrangements, and the program coordination service of the Coordinator of the Program in Washington, the existence of a federal-state cooperative extension service should be especially noted. It would appear that a resource development program such as we are talking about is greatly assisted by being able to draw upon and utilize technical and financial government assistance. The cooperative federal-state extension service supplies the rural committees with the administrative assistance they obviously must have to back up their group deliberations and plans. Our account of the work of county agents with the rural development committees shows how devotedly these people help with organization matters, encourage local participation, provide secretarial and other administrative support and pass on the results of research and other information.

Team Effort:

The Rural Development Program is a means of organizing people in rural areas for team effort and directing the weight of the whole community behind

improvement projects. County or area committees have the major responsibilities of carrying out this goal. This is done through (1) assessment of community resources through the assembly of information from government and other agencies on farm and town conditions, resources and family living for use in community planning, (2) use of the committee for forum purposes to discuss and understand development problems and bring forth ideas, (3) focus county-wide attention on economic improvement and stimulate interest in and contributions to local projects, (4) cooperate with regular community development groups such as industrial development boards and chambers of commerce, etc., and (5) to bring together all major interests in the community to help in solving economic problems cutting across farm-town lines.

Rural development committees in a county or area are most effective when sub-committees are formed to deal with problems in specific fields. They also serve to develop more interest and involve more people who are directly concerned with the development projects. You will find a great deal of attention and description of active sub-committees in the report. These sub-committees are in many fields such as agriculture, industry development, health and welfare, education and community facilities. They vary according to the kind of problems dictated by the conditions found in the county or area.

Some reference has been made to federal departments and agencies and how they fit into the picture. In local areas, representatives of these bodies stand ready to provide continuing assistance to the rural development committee or sub-committees. This is as full a part of their duties as the administration of the regular educational, credit, technical and regulatory programs of the government. The representatives are not members of the local committees but participate as advisors. No extra government employees have been needed for these duties aside from those needed to take care of the expansion of regular government services created through the Rural Development Program. Just over 140 persons have been employed in the pilot counties as special rural development agents and they are paid from funds provided by the Federal Government through an amendment in 1955 to the Smith Lever Act.

A Resource Development Program:

It has perhaps become apparent that in this statement and in our report the terms "rural development" and "resource development" are used interchangeably. That is because the program has come to embrace all aspects of community development. It actually started that way as far as the intent of its creators is concerned but the increasing interest of all elements, both town and country in those areas outside the metropolitan centers, is the thing that gave the program added impetus. Actually it includes the people and business interests of the small and medium sized towns and cities in many areas.

As noted earlier, farmers in the heavily industrialized North East Region of the United States obtained just over half their per capita income in 1955 from off farm work. Income from farming in this area was relatively low. Many farmers and members of farm families found part time or full time employment in urban industries. But many areas are not highly industrialized. Many have been adversely affected by the very conditions that have contributed to over-all progress and prosperity. Unfavourable topography, declining resources or other factors have worked to their disadvantages. In the Rural Development Program the people of these areas, rural and urban, have found common cause. Businessmen, bankers, and professional people have combined with farmers in a broad attack on the problem. So, combined with efforts to

improve agriculture one notes the encouragement of small business development, the expansion of forestry operations, the creation of additional resort areas, parks and recreational facilities, the building of highways, access roads and improved waterways.

These have created work in the community and they are being paid for by the products sold to people outside the area and by the use of the facilities by people attracted to the region from distant points.

We saw many projects in the seven States visited that owe their origin to the Rural Development Program. You will find reference to these projects in the report. These included a variety of activities in each of the fields of area development. Recently over 200 development projects were cited by the Secretary of Agriculture resulting entirely from the work of lay leadership or rural development personnel.

Typical Projects:

In one county we were told of 17 community projects that owe their origin to the Rural Development Program. These include a rural community center; a rejuvenated main street, new stores and businesses in an important small city in the region; more 4-H Clubs; improved pastures, dairy and beef enterprises; additional grade-A milk routes; a new artificial dairy cattle breeding association; an association for the marketing of feeder pigs; new homes, schools and churches; a health center; a local agricultural fair; a sports center; trade schools for welding, electricity and plumbing. We were fortunate enough to see many of these developments.

Elsewhere we saw or learned of drainage projects, saw mills, Christmas tree development and marketing, wood by-product and waste utilization plants, home handicraft development and sales outlets, broiler poultry plants, chick hatcheries, mink farms and other developments for which the Program was responsible.

We saw evidence of many changes on farms and in agriculture including striking examples of adjustment to new conditions. But we also saw much evidence of inability to adjust and were reminded that the program recognizes that part time farming or migration from rural areas may be an essential part of adjustment in many instances. This calls for the provision of preparatory and vocational training and guidances to assist individuals and families to make the shift. Underemployment is a chronic problem in some rural areas. It is not the purpose of the Rural Development Program to encourage people to remain on farms when it is evident that they would be better off somewhere else.

Part of our report is devoted to the large number of regular government services and aids utilized under the Rural Development Program (Chapter IV—pp. 12-21). The application of these services in areas visited by the delegation is outlined in another Chapter (Chapter VI—pp. 25-44). The types of assistance are grouped under technical and financial. They are numerous and include among others such things as conservation; cooperatives; credit; employment assistance; extension education; financial aid and social services for people who cannot support themselves such as the aged, blind, disabled and dependent children; forestry; health and sanitation; social security; Indian programs; industry development; marketing improvement; research; vocational training; and water resource development. It is pointed out in the report that these services and aids are more effectively applied in the case of counties and areas organized under the Rural Development Program.

Conclusion:

I will conclude this statement by noting that in our report we have included as an appendix a review of Federal and state relationships in Agricultural Education, Research and Extension. There was a purpose in doing this. It was to draw attention to the fact that, in the 98 years of the existence of the United States Department of Agriculture, a characteristic feature of development has been the coordination of federal and state relationships. This has been encouraged by the enactment of federal and state legislation and the adoption of policies and programs designed to promote cooperation. It has resulted in large scale federal appropriations for joint programs extending right through to the local community and individual farm. This has led to a marked degree of interdependence and has conditioned workers in the state and county services and people in rural areas to accept and make the most of federal assistance. This probably made the introduction and acceptance of the Rural Development Program easier than otherwise would have been the case.

Finally one must note that what we saw was not the exclusive product of the Rural Development Program. Much had already been done or was underway. What the Program seems to have done was to give a new impetus and urgency to a problem and its solution. As our report states, it has galvanized institutions and people into action and has helped to mobilize human and other resources to meet this problem.

The CHAIRMAN: Honourable senators, are there any questions you wish to ask?

Senator WALL: Mr. Chairman, before this escapes me, is there an inference I am to draw from the conclusions about the large amount of integration and co-ordination of federal and state agencies vis-a-vis what is true in Canada—am I to draw any inference from that or am I not to draw any inference?

Dr. BOOTH: Mr. Chairman, I do not think it would be fair to draw any conclusion from our remarks. All we wish to state is to emphasize the fact that there does exist this degree of integration and co-operation that we have described.

Senator WALL: And that it is crucial?

Dr. BOOTH: Yes.

The CHAIRMAN: From a practical point of view, Dr. Booth, how can a community, say in the province of Ontario, get started in rural development? Is it something that the federal Government has to follow through on?

Dr. BOOTH: Mr. Chairman, at this stage I would not care to try to answer that question specifically. It is our understanding that you propose to spend this term, or some part of it, on a study of what has been done in the United States and, I presume, with its possible application to Canada. That being the case, I think it would not be particularly appropriate for me to try to suggest how these things should be done.

Moreover, the program in the United States, as we have indicated, did not begin exactly at the local community level. It had leadership and direction; and although many of the services were found in the local areas, and a good deal was already being done there, it seemed to require the introduction of a program on a larger scale, represented by the state and federal services to bring out the most effective use of what was being done.

I do not think I could go much further than that at the present time, Mr. Chairman.

The CHAIRMAN: Thank you, Dr. Booth.

Senator STAMBAUGH: It seems to me, Mr. Chairman, the idea behind your question and the thought I have in mind, is as to whether such a development

program would be able to start in Canada, or should we be proposing something by way of help and co-operation at the federal, provincial and community levels?

Dr. BOOTH: I think a community could start a program on its own, and I believe many have done something along that line.

Senator STAMBAUGH: Would they have the same co-operation in Canada from the provincial and federal Governments as they have had in the United States, or is there something we should be doing or suggesting along that line?

Dr. BOOTH: My guess is that any community in Canada that wishes to organize along the line similar to that described in this report would find the fullest support and assistance from the provincial and federal services, such as we believe would be appropriate for us to participate in.

Senator HORNER: It might, for instance, be an enlargement of the 4-H Clubs throughout Canada.

Dr. BOOTH: I think that could be a starting point in some cases.

Senator WALL: From what little observation I have made and what little experience I have had in farming communities, it seems to me that the Agricultural Representatives as such, and the extension services of the Department of Agriculture in Canada, are in a sense directed to the increase of productivity and improvement of conditions on an agricultural basis. What we are dealing with here is an enlargement of that concept, and is the bringing together of agricultural people, industrialists, and small business people into what I would call a community resources development plan rather than a rural development plan. I think such a concept would probably be more appropriate. Under such a community resources development plan, instead of the Agricultural Representative being interested only in the improvement of a flock of poultry, for instance, and how to do this or that, he enlarges his concept and that of other people.

I have read this report with a great deal of interest, and it seems to me this is the story that is being told to us: that, once a need is recognized—and it is not for me to discuss how the local people of an area recognize a need—and the local interest is focused upon this larger concept of a total community, limited not only to agricultural aspects, but to business, small industries and so on, then everybody pitches in and all these various agencies come into play, and something is done.

We probably know what many of the problem areas are, and yet we sit and wait for somebody to do something about them. Here are people who have found a way of doing it, as Dr. Booth has said, by supplementing and re-directing all the services that exist.

Mr. A. E. BARRETT: Mr. Chairman, may I comment on that aspect?

It has been of some interest to us to observe what has happened in certain counties where the wider concentration on resources development has in a sense enhanced the program. For instance, the county agricultural extension agent at Newberry in Luce County in the State of Michigan, near Sault Ste. Marie, Ontario, is now called the County Extension Director. His committee on Resources and Development comprises a number of local citizens; the local druggist is the chairman of the committee, the sporting goods store manager is a member, and there are various representatives of other activities on the committee. In other words, this is a new concept, such as Senator Wall has suggested, which integrates the whole economy of the community.

I would refer also to a place called Morgantown, Kentucky, to which Dr. Booth has referred, which is an example of the extensive refurbishing of a town. In this case the complete county approach stimulated not only an interest in the rural problems, but also the problems of the entire town; in fact, new houses are now going up in Morgantown since people have decided

to live there because of the development of the total area as against that of one branch of the economy.

Again, it is an important matter, as you and I have observed by looking at people, to determine just what goal they can achieve. It is necessary to remember that there cannot be a standard goal. The goal will differ with the resources under one's command and control. Some counties are quite straightforward, and they say that this land should not be farmed, or that certain people should farm, if you are thinking in terms of establishing sidelines to farming.

Any honourable senator who has had anything to do with farming will realize that there are people who can handle livestock and there are those who cannot. Therefore, it boils down to a question of what a man is personally capable of achieving. I have seen persons trying to raise sheep who should not be in that line at all; I have also seen people raising sheep who were natural livestock men. It becomes important to realize that you cannot impose any particular structure on individuals, without recognizing the resources each has under his control.

Furthermore, the technical services given to the people generally are of assistance in evaluating what they can achieve. That seemed to be an important concept of the whole Rural Development Program as such. It seemed to act as a catalyst to mix these people in various areas in order to achieve the goal that technical service would enable them to achieve.

Senator BUCHANAN: Would that not be the exception, though? There would not be many groups like that? That was done by the initiative of a small group in an area, and that was not a policy of the whole development, and, therefore, anything that we could do to get that done as a general policy rather than just an individual community effort would be of some assistance?

Mr. BARRETT: Well, actually the whole program, as I see it—and the other members of the delegation might wish to make some other comments on it—is that it is a series of a large number of individual community efforts within the broad general framework of a policy approach which is, as Dr. Booth aptly brought out, an elusive thing to get hold of in Washington. There is the general acceptance of the program, and there are the facilities which have been placed at their disposal, but there is no particular staff to administer it. It is administered by a committee of under-secretaries and other administrators. It just seems to me that they have provided an atmosphere of co-operation for various state and federal people at local levels. They commented that without this concept they had a tendency to work separately, and within this concept they sit down in the county agent's office and work together. It is a concept only, and the people are already there, and the idea is put before them and they are working on it. As I say, it is an elusive thing, but it seems to be working very well.

The CHAIRMAN: In the United States did they start there with pilot counties—that is, did they start by the department's starting up a program in some particular area to demonstrate how it might be done so as to build up this incentive?

Dr. BOOTH: Perhaps I might show you this map, Senator Pearson. I do not know whether you can all see this, or not, but this is a map that was given to us, and you will notice that these are pilot counties or areas that were selected to participate in the project at the start. You will note that the concentration of the areas is in the south and southeastern part of the United States, extending up into the northeast, but only to the extent indicated. It also extends up along the area approaching the Canadian border, into what is known as the cut-over area in the states of Wisconsin, Minnesota and Michigan. I cannot describe this area (pilot counties in Washington State and Montana), maybe Mr. Stutt might do so. I am not sure what the conditions in these areas

here are, but, generally speaking, these are areas where economic conditions are not favourable; where the topography and other conditions have made farming difficult, where considerable underemployment exists, and where farms are small and incomes are low.

I am getting a little beyond my depth here, but the counties were selected on a certain income rating. They looked at the national income figures and the county figures, and the counties, as I recall it, which were below certain levels of income were designated as pilot counties. Then, in those counties the program is developed pretty much by local initiative with some stimulation from state and federal authorities all over the whole area at once, more or less. It is not a case of just one county starting, and the others following it. After they gained experience, the program which was launched in 1955 over a fairly broad front, has been expanded. Would you like to comment on this, Mr. Stutt?

Mr. STUTT: Mr. Chairman, the counties shown on the map are the counties where the program actually got under way. The original report of the task force which was set up by the Government of the United States in 1955 pointed out that there were about a thousand counties in the United States which could be considered at three levels—the moderate, the intermediate, and the very severe problem areas. I think there are only about two hundred of the thousand that were originally indicated which are called pilot counties and in which activities under the Rural Development Program have been launched.

Senator BARBOUR: Did the committee find that farming was in a pretty healthy condition in the United States? How does it compare with Canada?

Dr. BOOTH: I think that is, perhaps, rather beyond the terms of reference of the delegation, Mr. Chairman. There are other reports available to indicate the relative economic conditions in the two countries, but, as you know, there is always a considerable degree of similarity in the trends of economic conditions in our two countries.

Senator BARBOUR: I was wondering whether conditions were good or bad. Were farming conditions good, or did they need to be pepped up a whole lot?

Dr. BOOTH: I think the only way I could answer that would be to refer you to their own information. They have, as Mr. Stutt indicated, divided the areas into groups of relative economic conditions as indicated by income levels, and certainly those countries in areas in the third group, or the lower group of income, are countries in which they feel conditions can be improved by this kind of a program, and that is what the program is designed to do. It is to bring up the level of income in those areas which are, relatively, at a disadvantage.

Senator LEONARD: May I ask Dr. Booth two questions, Mr. Chairman? The first is with respect to his digest of the report under the heading of "Income from Farm and Non-Farm Sources", and where the statement is made that the supplementary income contributed 39 per cent of the total \$19.3 billion obtained by the farm population in the United States. My question is: Is there any comparable information available as to Canada, or any part of Canada?

Dr. BOOTH: I can only answer that in part. We do not have very much information. We have no national surveys so far as I know that would correspond with this information. There are some bits and pieces which do indicate a substantial amount of income derived from sources other than the farm, and the study which is now being completed, and which was undertaken during this past year, involving some thousands of farms throughout Canada by the Dominion Bureau of Statistics, and in which our Division has played quite an active part, will, we hope, provide information of the type that is available in the United States some time late this year, or, perhaps, next year. That will give us the information on that point.

Senator LEONARD: The kind of information we would need in order to, perhaps, start any type of a similar pilot operation in our rural development plan?

Dr. BOOTH: It would be, very, very helpful in that connection.

Senator LEONARD: Then, my other question is this: At page 66 of the report it appears to me that the federal Government of the United States went into this program by reason of an amendment to the Smith-Lever Act, an act which was originally passed in 1914. At page 66, in the second paragraph from the bottom, it is stated that, "A further amendment in 1955 permitted the use of federal funds for extension activities under the Rural Development Program without the matching of funds by the States as under the regular extension program."

My question is really directed to ascertain whether or not legislation would also be required by the federal Government of Canada in order to do a similar program in this country, or do we have now sufficient authority and all that is required is provision of funds?

Dr. BOOTH: Mr. Chairman, I do not think I should attempt to answer that question. It would only be a personal point of view. Our group has not been requested by your committee to do more than report on the program in the United States. Inasmuch as you are now launching a program of study and you are going to call witnesses, I presume, to deal with this very point, I think it would be a little premature and perhaps not desirable for me to attempt to comment on this, for it does involve all the relationship between federal and provincial services and it could lead us into quite a considerable discussion here which I would prefer not to see take place at this time.

Senator LEONARD: I can understand that the witness may not be in a position to answer the question but I think it might be noted whether or not we have legislation now on our statute books which permits going into a program such as the committee has found out exists in the United States.

Senator TAYLOR (*Westmorland*): May I ask two or three questions, and I think they are within the realm of answerability. In a program of this kind there must be a starting point, either through federal or state/provincial authorities or local authorities. Inasmuch as so many of these pilot programs were developed in the United States, they must have had their origin or genesis in the federal Government. I presume there was legislation under which the federal Government would contribute to these programs through state and local organizations.

When a program is organized and agreed upon by the local authorities and committees are set up representing all sections of the population, and when agreement is reached between state and federal authorities on such a program, is there any legislation which would bolster the carrying through of the program in the event there is interest in the local community or country which may be opposed to carrying out such a program? In other words, is there any legislation back of it which would give the authority to carry out the program?

Mr. BARRETT: With your permission, Mr. Chairman, I would attempt to answer the part of the honourable senator's question relative to how this program got under way in the United States. The actual idea for rural development was born in the mind of the Under-Secretary of Agriculture, True D. Morse. Before going to Washington as Under-Secretary he was employed by a commercial firm, a management organization, and they were approached by a group of rural people at Tupelo in the state of Mississippi and asked to evaluate the community's possibilities for success, rural and urban, and the firm made a very careful study. The businessmen in the community put up some \$30,000—I am quoting from memory as to the amount of money—to

further this program. There was another area, in Asheville, North Carolina, which, after reviewing the success of the experiment at Tupelo, Mississippi, also invited this agricultural service in to make a similar service.

The CHAIRMAN: A commercial service?

Mr. BARRETT: Yes.

Senator GOLDING: What is the principal objective in setting up these projects? Is it to increase production or to help the small farmer? What do they hope to accomplish by this?

Mr. BARRETT: I can answer that question best by repeating a quotation made by Mr. Lee, who is with the Farmers Home Administration in Washington. In effect he said that their interest is not only property but it is people. Actually this Rural Development Program is taking an interest in the people who are in these low-income areas. The statement was made on many occasions that while prospects here for agriculture are not too good, the people who are here stand very little chance of moving out into another area of operation. The children of these people who are here must be trained before they move over into another area. They must have better educational facilities and increase the scope of their thinking before transferring from one low-income group sector to another.

The primary objective was not to increase production but just to make sure they were using all their resources, including people and land, to the best advantage.

Senator GOLDING: That does not seem to me to be a very satisfactory answer. They must have some objective in mind. What is it? Do they hope by keeping these people on the farm they will be able to raise sufficient income to keep themselves? Are they trying to educate them to do that in some way? What is the principal objective?

Mr. BARRETT: I think I would be quoting from Dr. Booth's submission of this morning but I think he brought it out very well in his preamble, the question of making sure that where agriculture was a possible profitable venture that all facilities were enlisted to make it so, but where study indicated that agriculture was not a profitable venture then some other utilization of these resources should be made.

Senator McGRAND: Have you any idea what the conclusions were in Washington County?

Mr. BARRETT: I was hoping to deal with that in more detail at the next sitting. As you know, that area is quite comparable with what we find across the border in the province of New Brunswick. In some of those areas there are cases where personally I would look at a man and say he was no good for raising sheep, that he was not fitted for it, and I would look at another and say he was; but the present projects give an indication of the way they are approaching this in the way of woods resources, which is out of agriculture. You are aware of the extensive pulp and paper organization in that area at Calais and that the hardwoods are not too useful to the pulp and paper people, but they have through Rural Development brought people together in the hardwood sawmills and studied the pulp and paper logging operation in order to make use of hardwood that is of no use for pulp and paper. So they have that type of co-operation. There are small mills, set up through the services of the Small Business Administration, where they have been provided with management facilities and advice and instruction. We saw two or three of these people who are new hardwood mill operators. Down in the very easternmost part of Washington county we saw a young man who is a machinist by trade, and he has taken an interest in poultry and has 20,000 birds.

Senator GOLDING: I do not know, but it seems to me that I would like to get the picture a little clearer. It occurs to me that even here in our own country, the Department of Agriculture, and so on, are spending a lot of money and a lot of time, and our agricultural representatives do good work, and all that kind of thing. We undertake to try to get our people to produce more efficiently and more economically, and after we get them to do that we turn around and penalize the efficiency. I think we ought to know where we are going before we start on the way.

The CHAIRMAN: If you look at the Rural Development map in your copy of the report, you will notice the great concentration of this Rural Development Program in the southeastern part, the area where the topography is rough, heavily wooded in many cases, and the population on the whole or on the average is not up to normal standards of living; that is, their intake from their farms is very small; and you see the great plains area of the United States, where the biggest farms, the wheat farms, are and the big stock man operates. There are very few pilot areas there yet. So apparently the whole thing is not being concentrated on increase of production but rather to look after the human element, being as it is in a depressed area. That is what I take as a result of their study in the Rural Development Program in the United States, that they are concentrating on the underdeveloped, under-employed areas so far.

Senator GOLDING: Yes, I can understand that. Perhaps, Mr. Chairman, you can tell us this now: What is it that we hope to do with these people? Take an individual on a small farm. Let us take a concrete case, and then tell us what you hope to do and in what way you will do it.

The CHAIRMAN: I would say this, that my feeling is that what we hope to do under a rural development program—this is just a surmise on my part—and it may develop later into something else—and what is being attempted is to look after the human resources first. For instance, you know in your area, and I know in some areas in our part of the country, that there are men who are not fitted to farm. The problem then is to move those men out, voluntarily, of course, and by their own wish, by suggesting what they could do, and we would assist them in getting moved into another community where they might be good men, say, at stock raising, perhaps sheep raising, but on their existing farms they are doing some other work for which they are not best fitted. It would be our idea through a voluntary scheme to move them out to some other area where they could become efficient and where they could also earn a good living for themselves and their families.

Senator HIGGINS: Do the same conditions exist over in the United States as exist in Canada?

The CHAIRMAN: Yes, they are the same.

Senator GOLDING: I understand, then, that one of the objections to moving these people out is that they may not want to move out?

The CHAIRMAN: Yes, it has to be voluntary; it is not a matter of pushing them around.

Senator HORNER: You might also make better facilities for them where they are at the present time.

Senator TAYLOR (*Westmorland*): One of the fine things about this scheme is the high type of personnel or the composition of these rural communities, consisting of bankers, businessmen and rural people. After spending some 22 years in the field of agricultural work I think I know something of the relationship between the townspeople and the country people, and it has been horrible; nobody understood each other. This is one way that I think will

bring about a better understanding of the farmer's problems in dealing with bankers, and so on. At the same time, it is not a good idea to go into the community and say, "We are going to produce more of this commodity here." It may be that that area is not suitable for certain commodities and that it would be advisable to develop some other product in order to bring up the standard of living so that those people can have some of the things that others are enjoying. I think that is one of the purposes.

The CHAIRMAN: In that connection, you might refer to the terms of reference, which reads as follows:

That a special committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it.

There are a lot of farm lands which are not of use to Canada at all, and are being wasted both as to human resources and the land itself.

Senator HORNER: Senator McGrand raised the question about comparable conditions in farming in the United States and Canada. Of course, that is difficult to answer because the farms in the United States receive a greater measure of subsidy from their Government than ours do in Canada.

Senator BARBOUR: I suppose my own province might be considered a depressed area in Canada, but our credit unions and our 4-H clubs are about the best in Canada, and our people go to Toronto to the Canadian National Exhibition there and win prizes, and are expert in judging cattle, and so on. I think in that province we are further ahead, and that our condition in Canada is better than the area you have been discussing. However, perhaps Mr. Barry could answer this: I do not think our people as a rule are taking full advantage of the information that can be obtained from experimental farms, soil analysis, and so on.

Mr. BARRY: I think this is entirely true. Obviously, if every farmer were in a position to take advantage of all the technological information available to him, the position would be better than it is. In this total area of agricultural interest, I think we have two basic considerations. We have our commercial farmers who, on the one hand, have their own type of problem. Secondly, are those who are not commercial farmers.

Probably by virtue of their own inabilities and the soil on which they are settled they possibly are not able to take advantage of technological information the way the commercial farmers can.

I am sure that this will apply to the United States as well except as Senator Golding pointed out that any thinking in this connection hasn't anything to do with the farmers being made better farmers. That is not an implication of it at all. It is simply to devise some means to give them a better living than they are now getting. It may be through the establishment of small industries in farm areas.

Now, I feel that there may be some lack of understanding here with respect to federal-provincial relations which I would like to mention. The question was asked when Dr. Booth was making his opening statement as to whether the type of relations that exist between federal and state Governments in the United States was different to that in Canada between the federal and the provinces. There is this distinction that in Canada, in the very fine working relationship that exists between our Department of Agriculture and the provincial Departments of Agriculture there is an understanding that education and extension are a provincial function. We collaborate very considerably with

the provinces; all our research activities are the source of information that the provincial staff use in their extension activities. Extension is accepted as a provincial function and responsibility.

In the United States the federal government provides financial assistance through the land grant colleges to extension work in the United States. In this way there is a direct tie-in between the federal Government and the states, which does not exist here. But I would not like the impression to be left with the committee that because there is not a formal relationship that there is not a complete relationship in a more informal way.

As I understand the background of this rural development program, it is not something which has started from the top. After all, these efforts on the parts of local communities, whether in the United States or Canada, has been a matter of very long application. This is going on all the time. It seems to me that all that has happened in the United States and what is being done now, is pointing up and perhaps providing for some co-ordinated measure of co-operation with these local enterprises by the various local federal and state agencies. Also, there is a provision under state legislation which authorizes assistance to extension so that it can be used for this purpose. My impression of the delegation's findings is that this is still fundamentally a local development with the program, as it is called, simply providing a co-ordinated service and assistance on the part of the federal state agencies to help the local bodies in developing their programs.

The CHAIRMAN: Are there any further questions?

Senator STAMBAUGH: Mr. Chairman, I think probably there are a great many but we will have to take them up at future meetings.

The CHAIRMAN: Is it the wish of the committee that the report of the delegation be incorporated as an appendix to today's proceedings?

Senator TAYLOR (*Westmorland*): I so move, Mr. Chairman.

Agreed.

(*See Appendix—A Review of the Rural Development Program in the United States.*)

Senator HORNER: Mr. Chairman, I move we adjourn.

The committee adjourned.

APPENDIX "A"

A REVIEW OF THE RURAL DEVELOPMENT PROGRAM
IN THE UNITED STATES OF AMERICA

Report of Delegation
of the
Canada Department of Agriculture
On the Request of
The Special Committee of the Senate
on
Land Use in Canada

Economics Division
Canada Department of Agriculture

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ORDER OF REFERENCE

The report of the Special Committee of the Senate on Land Use in Canada at the second session of the twenty fourth Parliament, 1959, under date of July 8 made the following recommendation, among others, as follows:

"(10), that this Committee request the Federal Department of Agriculture to send a delegation to the United States to study and report on the *Rural Development Program*."

This matter was taken up by the Chairman of the Special Committee, Senator A. M. Pearson, with the Canada Department of Agriculture. He stressed that the Committee wished to obtain first hand knowledge of the Program and to have it studied and appraised in the light of the small farm or low income farm problem in Canada.

THE DELEGATION AND TOUR

The delegation selected by the Canada Department of Agriculture to conduct this study was as follows:

Dr. J. F. Booth, Director, Economics Division, Administration Branch.

A. E. Barrett, Assistant to the Director General, Research Branch.

S. F. Shields, Regional Director, Prairie Farm Rehabilitation Administration.

R. A. Stutt, Head, Land Economics Unit, Economics Division, Administration Branch.

Dr. J. F. Booth was designated as leader of the delegation.

Contact was made through diplomatic channels with United States Department of Agriculture officials in Washington, D.C., and arrangements to meet with and discuss particular phases of the Program were made by these officials with all the appropriate federal and state bodies in Washington and in selected states (see Appendix A). This task was handled by Messrs. Clarence Ferguson, Administrator; Paul V. Kepner, Deputy Administrator; and L. I. Jones, Field Representative of the Federal Extension Service for True D. Morse, Under Secretary of Agriculture.

STUDY PROCEDURE

The procedure at each point varied with the particular conditions and type of activity. In Washington, the main emphasis was on orientation of the general framework and scope of the Program and federal government contribution. A full description of the work of each department and agency associated with the Rural Development Program was outlined by top level officials. The delegation met separately with Mr. True D. Morse, Under Secretary of Agriculture and Chairman of the National Committee for Rural Development Program and profited greatly from our discussions.

Representatives of departments and agencies participating in the conference at Washington were:

Department of Agriculture

W. S. Swingle, Assistant Chief, U.S. Forest Service.

J. E. Lee, Real Estate Loan officer, Farmers Home Administration.

C. E. Kellogg, Assistant Administrator, Soil Conservation Service.

J. S. Wood, Program Analysis Section, Rural Electrification Administration.

J. C. Doherty, Special Reports, Rural Development Program, Office of Public Information.

C. L. Beale, Statistician, Farm Population and Rural Life Branch, Agricultural Marketing Service.

K. L. Bachman, Assistant Director, Farm Economics Research Division, Agricultural Research Service.

P. Fankhauser, Deputy Director, Short Term Credit Service, Farm Credit Administration.

E. L. Gambell, Deputy Director, Program Analysis Division, Agriculture Conservation Program Service.

L. I. Jones, Field Representative, Federal Extension Service.

P. V. Kepner, Deputy Administrator, Federal Extension Service.

Other U.S. Government Departments

K. Bredenberg, Department of Health, Education and Welfare.

K. Larson, Department of Interior.

L. Black, Department of Commerce.

J. Inderdohmen, Small Business Administration.

W. B. Hewett, Department of Labor.

The Extension Service in each of the seven States arranged a program and guided the delegation. This was arranged at the request of the Deputy Administrator of the Federal Extension Service. In the case of Kentucky, Wisconsin, Minnesota and Michigan, local transportation was also provided. The area supervisors and the particular county agents designated for Rural Development activities handled all these matters. In addition to interviews with university and federal government agency representative, the extension men arranged for opportunities for discussion with some of the county committee members. The balance of the time was taken up with visits to representative projects of the committees in each county or area and discussions with farmers and small business operators. This enabled the delegation to observe a sample of the various types of projects underway.

A REVIEW OF THE RURAL DEVELOPMENT PROGRAM IN THE UNITED STATES OF AMERICA

Chapter I

A Broad Outline

The delegation found that after about three years of operation, activities under the Rural Development Program are now going forward in some 200 counties in 30 States and Puerto Rico. This national effort to speed up economic development in rural areas is increasing each year and has attained some short-term results and developed many longer range plans. It is part of the total attempt to enlarge the opportunities for low-income families and entire rural areas.

In the United States there are about two million farms producing 90 per cent of the farm products marketed. Most of the government expenditures for price supports and stabilization have their main impact on these commercial farms. By comparison, operators of small scale, part-time and residential farms benefit but little from these programs. These farmers number about 2.7 million but they produce only ten per cent of the farm products marketed. Problems of low and inadequate income are found here with widespread and acute underemployment.

Living within the same areas of low income farms and associated with the farm families as neighbors in the country and in the towns are even larger

numbers of rural non-farm families. They likewise have low incomes, underemployment and often low levels of living.

The large numbers of underemployed people in agriculture should not be viewed only as a farm problem but also as a social problem. This calls for entirely different approaches than in the case of the income problem of commercial farmers. Older farm operators make up a big part of the group with extremely low incomes, earning little from their farms or from non-farm sources. Farm programs designed for commercial farms do not meet the problems of this large and important group.

The Rural Development Program in the United States might be called a campaign or operation to promote balanced farm, industry and community development in which the leadership in rural areas becomes involved. The first main emphasis has been to turn to farm improvement as the main way to add to income. This is understandable since these resources are in the hands of the farm operator and extension services are geared to assist in this type of endeavor. These are generally low cost ways to improve income through betterment of agricultural production and practices. But other things are being attempted and done in non-agricultural fields such as promotion of rural industries, forest and recreational developments, off-farm jobs and better and revised educational programs. In most areas, this is the core of successful Rural Development Programs.

Fundamental principles.—There have been many attempts in the United States to improve the unfavorable conditions of life and work of the families in rural communities. But most of these failed to come to grips with the economic situation and welfare of the more pronounced disadvantaged section of the farm population and people belonging to all other crafts and professions in rural communities and towns. The Rural Development Program is a new approach to the solution of social and economic problems and human affairs. It has its center in the development of neglected human resources in areas probably only slightly touched by the industrial uplift of the nation.

There are three major objectives of the Program.¹ These are:

- (1) to help families that have the desire and ability to stay in farming gain the necessary tools, land and skills;
- (2) to widen the range of off-farm job opportunities;
- (3) to help rural people enjoy more opportunities for adequate training and improved health.

The main strength comes from the combined efforts of farmers, business and civic leaders and representatives of agencies and organizations working together as a team. Local people, both in the towns and country are brought together to solve common problems. The foundation of the Program at the county and community level is based on research, education and community action. In this the role of federal and state governments is to help people help themselves.

A basic concept of the Program is one of area economic development with probably the major emphasis on fields outside agriculture such as in business, industry, forestry, tourist trade, vocational training, health, job opportunities and guidance. The need for action in non-agricultural matters is recognized in practical programs of economic improvement in underdeveloped rural areas. These are considered to be essential for improved levels of living.

The Program is based on the theory that rural people can do things to help themselves if they are provided with leadership, guidance and in some cases financial resources. This means the mobilizing of local citizen groups through team effort with assistance from federal and state agencies. In this matter

¹ Rural Resource Leaflet no. 1, Revised May 1959. Committee for Rural Development Program.

the role and activities of the extension agencies are very much widened beyond traditional ways of improving agricultural production and practice. It also means a change in the methods and tools used by the extension worker in reaching and serving the wider clientele.

Operation of the co-ordinated plan is under direction of national, state and local committees. The real work horses of the Program are the local county committees. Work of the state and local committees is assisted by the national Committee composed of departmental and agency representation. The representatives of these departmental and agencies in each state serve on the state committee plus many non-governmental agencies concerned with agriculture, education, and industrial development.

The Rural Development Program is concerned with human resources and human problems which are inseparable parts or parcel of the whole economic performance and normal growth of the country. It recognizes the freedom of the individual to find his own niche. But through example and initiative and advancement by innovation, the disadvantaged are persuaded or encouraged to follow. There is also a growing consciousness by the bodies politic of their obligations towards those concerned. The encouragement of the democratic approach through spontaneous and decentralized local initiative has the main advantage of harmonizing with the needs and capacities of rural people. It rejects the idea of dependence on special government agencies¹ and additional government financial hand-outs.

It was impressed on the delegation that there were no standard arrangements for problem solving in all areas. These have to be worked out in specific detail for each area. The procedures must be tailored to the specific circumstances as well as to the particular people in the area so that they will be able to help themselves with minimum assistance from other people and government.

CHAPTER II

Beginning and Development of the Program

The need for a program, such as the Rural Development Program, is indicated by the extent and characteristics of low-income farm problems in the United States. Relatively low production and incomes have characterized large parts of American Agriculture for several decades. It is only in recent years, however, that these problems have been regarded as matters of public policy.

These problems were ascribed, at one time, wholly to inherent physical characteristics, such as poor soil or to characteristics of people in these areas who were considered by some to be of a ne'er-do-well nature. Supposed inherent lack of ability or preference for non-money values such as hunting, fishing or leisure were common reasons. The solution of this situation was considered to be the main responsibility of the individual family or of charitable agencies.

The severe economic and depressed conditions of the 1930's, while not restricted in their effect to small farm operators, drew attention to the problem of agriculture in general and gave rise to large scale remedial action by government. Federal and state governments stepped in at that time to assist the needy and large-scale rural assistance programs were part of the general attack.

After World War II underemployment in agriculture developed as a result of technological progress and resulting surplus rural population. Meanwhile the rate of growth in the economy of the nation more or less paralleled the

¹ During the first year of the Program it was noted that ample leadership potential exists in States and in rural communities to provide vital direction. It was also emphasized that this is not "just another Federal Governmental program" and that federal agencies stand in a supporting role only. (See First Annual Report of the Secretary of Agriculture, September, 1956).

growth in the working-age population and industry was not able to absorb the people unneeded in agriculture.¹ This was not conducive to improvements in low production and low-income areas.

The view now held by agricultural authorities in the United States is that the low-income farm problem cannot be solved by individual farmers or local areas alone. Nor is it viewed as a farm problem as such. It is part of the national general employment and income problem, as well as part of the income problem of agriculture as a whole.

In recent years additional governmental programs have been developed, most of which are still in effect. Many effective methods have been developed to increase productivity and raise income. Among these are new educational techniques, supervised credit, vocational training and the provision of employment information. In many cases, however, no effective way or little co-ordinated effort to tie these programs together in the communities of the United States was developed.

Early experimental efforts.—The delegation was informed that the germ of Rural Development was conceived by groups of rural people such as those found at Tupelo, Mississippi. About 15 years ago, this group had the idea that by studying the resources of the area and their needs on a community group basis, it was possible to plan, develop and put into operation a well conceived resource development program. To assist them in this process the group enlisted the aid of a farm management service firm. It was concluded as a result of the firm's appraisal, that a program of farm and community development could be instituted and carried out at a trade area level with local initiation and resources. When all the facts were laid before the people by committees of farm and other non-farm group representatives, local business men were sufficiently convinced to invest \$30,000 for the first year's farm improvement program. Returns to the community were such as to ensure the success of the first venture. The local resource development organization and the program went on to future progress.

Another early example of organization of local farm business and industry leaders into groups for rural development was spearheaded by the Chamber of Commerce at Asheville, North Carolina in 1949. Strong programs by the local Chamber had obtained good results in the areas of industrial development and tourist trade. They set up an enquiry into the condition of agriculture in the area and noted that over half of the population lived in rural areas; farms were small; much of the acreage was in woodland; and incomes were low. At this point an Agricultural Development Council was formed and a farm management service firm hired to study the surrounding 18 country areas and to outline a program of action. In the conduct of the program business men teamed with rural people and agricultural agencies to form a "partnership for progress".² The business men provided capital and promotional effort and the agricultural agencies provided guidance and technical knowledge. Desire for better homes and communities and a higher standard of living have been whetted. The business men were rewarded by large increases in retail sales and industrial firms were encouraged to locate plants in the area.

The example of these and other similar development committees pointed the way to a national rural development program in which all local groups of an economic, civic and educational nature join in a team effort to spark improvement and development in the area. In essence, these groups with government agencies and extension agents perform all the steps in the development process including the services performed by the farm management service firms indicated in the above mentioned examples.

¹ Problems of Low-Income Farmers, Hendrix, William E. Farm Economics Research Division, U.S.D.A., Farm Policy Forum, Volume 11, No. 1, Summer 1958.

² This discussion is mainly based on an article in The Monthly Review of the Federal Reserve Bank of Richmond, July 1959.

Government activity.—On January 11, 1954, the President in a Special Message on Agriculture to Congress called for broad improvements in agricultural programs and placed new emphasis on the need for basic economic changes in certain farm areas. The most important subject in this message was the situation of many families on small farms and their need for special assistance. In recommending a new program. President Eisenhower stated that the Secretary of Agriculture, in co-operation with the National Agricultural Advisory Commission would "give special attention to the problems peculiar to small farmers".

Following the President's directive, a comprehensive study and review was made of the problems outlined in the Special Message. This study was under the direction of the Secretary of Agriculture. Task forces in the Department with personnel from several other government departments and agencies carried out the undertaking.

The report "Development of Agriculture's Human Resources" was submitted to the President on April 26, 1955. It reviewed the situation with regard to low income of farm families, the characteristics of the major problem areas and set out certain areas on the basis of three criteria i.e. farm income, level of living and farm production. All the programs in effect were examined and suggestions were developed to improve them. The study emphasized that the foundation for programs to increase the opportunities available to low-income people is the interest and enterprise of local people and communities but pointed out that co-operative effort by local communities, private enterprise and State and Federal Governments can speed up and facilitate improvements in levels of living of low-income families. Thus the approach to the problem was regarded primarily as educational and developmental.

The Secretary of Agriculture recommended the launching of pilot operations in not less than 50 of the 1,000 low-income counties during the 1955-56 fiscal year. A nine point program was suggested. It recognized that the problem is not exclusively agricultural and that opportunities for off-farm employment are part of the solution. It stressed a voluntary approach to the problem, the importance of working with young people and the desirability of broadening the program as experience is gained. The matching of local plans and efforts with individual needs and resources available was indicated as the basis for action.

The nine point program comprised the following elements:

- (1) expand and develop agricultural extension work to meet the needs of low-income farmers and part-time farmers;
- (2) develop needed research in farm and home management, human nutrition, population, marketing and in evaluating experience gained in the pilot program;
- (3) provide additional credit for low-income farmers and extend Farmers' Home Administration services to part-time farmers;
- (4) increase technical assistance, such as provided by the Soil Conservation Service, to low-income farmers;
- (5) request the Department of Health, Education and Welfare to encourage the States to expand vocational training in rural areas of low income;
- (6) request the Department of Labor to strengthen the Employment Service in rural areas and further to adapt it to the needs of rural people;
- (7) undertake to get more effective programs developed to induce the expansion of industry in rural low-income areas, using the facilities of the Departments of Labor and Commerce and the office of Defense Mobilization;

(8) call upon the agricultural colleges to make substantial research and extension contributions to a co-operative venture and employ in part the increased Federal funds;

(9) aggressively encourage farm, business and other leadership to assume local responsibility and to unite in efforts to aid in the development of agriculture's human resources, using trade area and community development programs to increase farm income and raise living standards.

Certain legislative action was needed to launch the program in an effective way. These included:

- (a) authorization of loans to part-time farms under Farmer's Home Administration;
- (b) legislation to enable special funds outside of the present agricultural extension formula for the purpose of conducting pilot programs and extending assistance to low-income farmers;
- (c) appropriation requests were recommended to initiate work proposed involving extension, research, soil conservation, farm loans and related services;
- (d) lending authority for an additional \$30 million was suggested for the Farmers' Home Administration;
- (e) proposed certain administrative arrangements including an interdepartmental committee, and a committee within the Department of Agriculture to co-ordinate the work of its agencies. The Secretary of Agriculture and a principal officer were designated to co-ordinate and direct the administration.
- (f) require the Secretary of Agriculture to submit a comprehensive report to the President.

The launching and progress of the program.—The conduct of the study and the report on the "Development of Agriculture's Human Resources" was the first step in the program. It was a study showing the resources and needs in certain rural deficient areas and was a general guide or study document rather than a blueprint. It revealed an awareness of the magnitude and complexity of the problem.

After the report was transmitted to Congress by President Eisenhower on April 26, 1955, vigorous action was taken by Federal Government and State representatives to make a start on the program. A conference of Deans of the Land Grant Colleges, other State agricultural leaders, Federal representatives and leaders in business, religious and civic affairs was held in Memphis, Tennessee and came up with a possible plan and means of furthering constructive rural development programs in agricultural areas characterized by low farm family incomes. Work groups grappled with the problem under three broad headings. These were (1) organizing for action, (2) additional information needed and steps necessary to insure its availability, and (3) the stimulation of local initiative. Following this conference the two main national committees proposed in the first government report were organized.

The Program did not progress very far in 1955 and was also limited in 1956 because the needed funds and legislative authority was not obtained until June 1956. On the other hand, ten States had already shown some progress with work leading to community economic improvement in Rural Development Program pilot counties. Most of these States were in the southeastern part of the country, which was shown in the "Development of Agriculture's Human Resources" report as the most critical area. Program planning had also begun in ten other additional States.

The first annual report on September 1, 1956 indicated that rural development committees in 24 States had named 54 pilot rural counties and areas of

program action during 1956-57. The following year, rural development activities were reported in 100 pilot counties organized in 30 States. These ranged from Washington to Florida, from Maine to New Mexico and included Puerto Rico. More than 350 new development projects in agriculture, forestry, marketing, industry promotion, health and vocational training were reported. Three regional conferences were held during the 1956-1957 year for Federal, State and local government agency workers and private leaders.

A significant statement of the status of the Program was noted in the hearings of the Senate Subcommittee on Agricultural Appropriations on March 31, 1958, as follows:

"The Rural Development Program is not separate from our (Department of Agriculture) regular activities for improving living standards in underdeveloped rural areas. Nor is it limited in scope and objectives to specific areas. This program is one method, among many, of supplementing and redirecting the work of government agencies in order to gain more effectively the fundamental objective—area economic development."

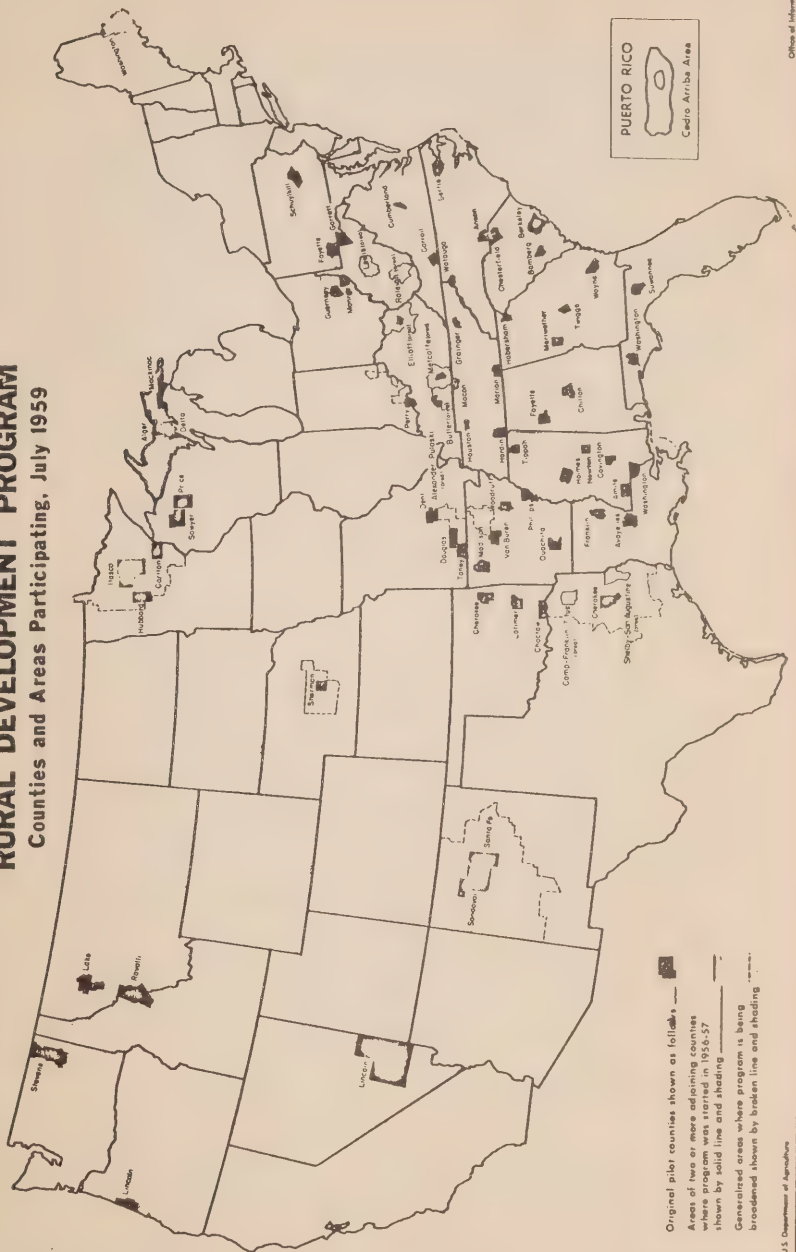
The last annual report for the 1958-59 fiscal year shows that rural development programs have been designated in 200 counties in 30 States (Figure 1). Increased opportunities include (1) progress of the program in many participating States has gone far beyond the experimental or pilot stage and from a single county to a multi-county level, which has broadened the work and brought in more resources and interest, (2) most counties have increased in both farm and non-farm opportunities including industry expansion, small woodlots and timber processing enterprises, job guidance and placement services, building of new marketing and processing facilities, opened new marketing co-operatives, reorientation of agricultural production on small farms, more attention to young people through vocational guidance and training, new education courses, stay-in-school and education beyond the high school. Industry growth in 52 Rural Development counties resulted in some 8,000 new job openings.

Some 140 additional State extension agents and specialists have been made available through the Program. A few other significant special assistance government aids include among others (1) increased lending by the Farmers' Home Administration, (2) demonstration projects in four States aimed at improvement of job developments, community planning and employment services in small rural area, (3) 63 loans for \$2.5 million to small firms in 48 counties were facilitated through the Small Business Administration, (4) special low-income area research in 22 States, (5) increased forest improvement, (6) increased allocations of ACP funds in 19 States, and (7) increased technical assistance through the Soil Conservation Service.

Federal appropriations specifically ear-marked to the Rural Development Program as such, were \$2 million and \$2.5 million in 1957 and 1958, respectively.¹ The relatively heavy dependence on locally-run and locally-financed community projects in Rural Development has kept the budgetary assistance costs to the government at a minimum. The scale of operations is still relatively small in relation to the size of the problem to be tackled.

¹ The second annual report of the Secretary of Agriculture on the Rural Development Program shows direct appropriations of \$2,061,645 and \$2,589,342 in 1957 and 1958, respectively. Additional loan authorizations for farm operating loans under Farmers' Home Administration amounted to \$15,000,000 each year. The fourth annual report for 1959 indicates that direct expenditures by the Department of Agriculture for educational, research and conservation activities alone under the Rural Development Program were expected to approximate two million dollars. In addition, many Federal Agencies are actively at work on the Program supplying credit, technical and other assistance.

RURAL DEVELOPMENT PROGRAM **Counties and Areas Participating, July 1959**



CHAPTER III

Organization at the Various Government and Public Levels

Participating Groups.—The organization of the Rural Development Program can be outlined through three levels which are national, state and county. This does not mean that the importance of these three levels is in the order as stated above. As a matter of fact, the key to success lies with the local county or area committee of lay people. All the members of the local committee have a personal interest in helping to bring about improvements in the economic and social structure of the area. Thus, they stand to benefit in one way or another from any such improvements.

The Program should not be thought of in the ordinary sense of a "program".¹ It is not an activity whose boundaries have been established by legislative action. It has not resulted in the establishment of any new organization or agency to supervise operations. It is not "administered" by the Federal Government.

A national Committee composed of the Under Secretaries of the Departments of Agriculture; Commerce; Health; Education and Welfare; Interior; Labor; the Administrator of the Small Business Administration; and a member of the Council of Economic Advisers was formed at the commencement of the Program. The chairman has been the Under Secretary of Agriculture, Mr. True D. Morse. This committee renders guidance and support but not directions.

It was impressed on the delegation that the Rural Development Program is an activity or movement having no administrative head and purposely kept that way. The committee though functioning, was not officially established until October 12, 1959 when to expedite progress President Eisenhower issued Executive Order no. 10847. The Order calls upon the various federal department agencies to make the fullest possible contributions to area development programs and related activities.

One or more agencies in several federal government departments render appropriate support to local development programs. Agricultural interests are supported within the Department of Agriculture by the Federal Extension Service, Agricultural Research Service, Agricultural Marketing Service, Commodity Stabilization Service, Rural Electrification Administration, Farmers' Home Administration, Forest Service, Soil Conservation Service, Farmers Co-operative Service and the Agricultural Conservation Program Service.

In the Department of Commerce the agency which assists with business, commercial and industrial activities and interests under Rural Development is the office of Area Development. The Small Business Administration also operates in this area. In the Department of Labor, the group concerned with manpower interests is the Bureau of Employment Security; in the Department of Interior, resource interests are handled by the Bureau of Land Management, Bureau of Mines, Geological Survey, Fish and Wildlife Service and the National Park Service; and in the Department of Health, Education and Welfare, the interests are assisted by the office of Education, Office of Vocational Rehabilitation, Social Security Administration and the Public Health Service.

The Farm Credit Administration is an important independent credit agency of the government and is concerned in rural development as far as its loan policies permit.

Representatives of most federal departments are usually found on the state committee level of organization. Probably those most active are representatives of the Department of Agriculture and its agencies. In the case of

¹See "How Rural Development Operates" by Kepner, P.V., Deputy Administrator, Federal Extension Service, U.S.D.A. Farm Policy Forum, Summer 1958.

the agricultural interests the main state organizations represented are the land grant colleges, the state agricultural departments and the farm organizations. Other state departments include commerce, the planning and development agencies, the labor and employment and education, social service and health departments.

At the county and local area committee levels, all the federal departments and agencies having local employees and State departments are usually represented to serve in an advisory capacity. County committees include farmers, agricultural employees and farm organization representatives; business and industrial group representatives; employment service representatives; educators, social workers and county health, doctors and sanitarians. Local bankers and representatives of the national farm loan and production credit associations of the Federal Land Bank system are important members. Others include clergymen, social and fraternal organization representatives and civic groups. The range of local forces in rural development normally include agricultural agencies, farm groups, co-operatives, civic clubs, industry, womens clubs, bankers, clergymen, press and radio, chamber of commerce, school authorities, health groups, youth and county officials. The members of the local interest groups are elected or selected by lay people, not by the agency representatives.

The county or the area committee (usually composed of a number of counties) is the real nucleus of rural development and the planning and working level. After the resources of the area have been inventoried and studied and priorities of action programs decided, working subcommittees are set up on a continuing or rotating basis as decided by the county committee. There might be a subcommittee for any particular purpose such as agriculture, industry, tourist trade, vocational education, zoning, health and sanitation.

Stages in county program execution.—The designation of specific counties or areas as pilot or demonstration projects has usually been based on the type of information outlined in the "Development of Agriculture's Human Resources" report and other basic resource inventory data of the State. This is a task of the State Committee, which at this stage is usually formed by key state and federal agency representatives.

The state colleges or universities are called on to provide pertinent information at this point. The state committee acts as a co-ordinating body and as liaison between the county and national committees. In starting the program, representatives of the state committee meet with a representative group of people in the proposed pilot county to explain the general nature of the effort and the kind and probable extent of help the county can anticipate receiving from outside sources. The availability of professional help through one or more special rural development agents, who are provided under provisions of the 1955 amendment of the Smith Lever Act, is pointed out to the local people. This is concrete evidence of available assistance to the people undertaking improvement projects. It is also a definite boost to their morale.

The decision to undertake the program is one which is left entirely up to the people. At this informal meeting, the identification of the problems is made through a study of fundamental research reports, surveys and farmer experience. Problems are named such as lack of income, markets, resources, land, credit, knowledge, vocational training, full or part-time off-farm employment. If the decision is made to go ahead, working sub-committees are formed by the county committee. These might include agriculture, home and living, industry, tourist trade, health and education depending on the particular problem area.

To facilitate planning of the program and to enlist local support, the county or area committee formed includes all the organized groups of the community such as farm, civic and business. The county or area committee then considers alternatives, chooses priorities, decides what is to be done, outlines the

objectives and activities and the appropriate group to do the job. An important phase of the planning stage is the provision of co-ordination and emphasis on team approach and uniting of effort. All must realize that they have an interest in helping to bring about improvements in the economic and social structure of the area and stand to benefit in one way or another.

The next stage in program execution is the matter of getting the program underway. The problem at this point is to motivate people, of involving the lay groups, of developing the resources, of expanding employment. A final important step is an evaluation of the value of the program and report of progress to the public. This enables a refinement and strengthening of the program by elimination of activities that do not hold promise of producing desirable short or long term results.

Helpful aids in program execution include surveys by local committees and research conducted at the state and national level. Publicity of the program in local papers assures local support and sense of pride and satisfaction in accomplishments.

CHAPTER IV

Types of Assistance from Governments and Other Agencies

Federal.—The delegation found that there is a wide range in types of assistance that federal agencies make available to help communities to accomplish the objectives of improving their services and diversifying and expanding their economies. All these types of assistance are, of course, available under the Rural Development Program.

Early in the tour it was stressed on the delegation that the solution to the problem of the low-income farmer was not to be found exclusively within agriculture and that there was generally a condition of excess labor in the problem areas. The situation could be summed up by the term—underemployment—meaning unprofitable employment of all labor resources for agricultural production in many counties of the United States.

Unless industrial and service job opportunities are established in local areas the only feasible alternative is to find employment in centers of large industry. As an example, we were informed that people from a poor agricultural area in eastern Kentucky were working in manufacturing plants in a large city and commuting back and forth daily a relatively long distance. This reflects many unfavorable conditions, one of which is the lack of resource development and community services in such rural areas.

As a part of national policy, the dispersion of industry is regarded by the government as very desirable to ensure growth of the economy in all sections of the country. It also assumes importance in defence policy.

General policies on assistance to local areas to promote dispersion of industry are directed under authority assigned to the Executive office of the President and the office of Defense Mobilization.

By Executive Order No. 10582, December 17, 1954, the President established uniform procedures for application of the Buy American Act of 1933. Preference is provided to domestic suppliers as against foreign suppliers in the award of government contracts. It permits rejection of a foreign bid or offer in cases in which all the materials can be produced in areas of substantial unemployment when the President states such preference would be in the national interest.

Defense Manpower Policy no. 4—Placement of Procurement and Facilities in Areas of Imminent Labor Surplus—is designed to encourage the placing of government contracts and facilities in labor surplus areas and to assist such areas in making the best use of their available resources. The policy also provides for the intensification of service to these areas by all appropriate Federal agencies.

In 1956 Congress amended the Defense Production Act by inserting in the law the following statement, "it is the policy of the Congress to encourage the geographical dispersion of the industrial facilities of the United States...". Through the National Defense Education Act, Congress in 1958 provided for guidance, testing and counselling in both rural and urban schools, and area programs of vocational training for highly skilled technicians.

Federal funds are expended by Federal executive agencies that administer programs authorized by Congress under two broad categories.¹ These categories are (1) technical assistance and consultation or (2) financial assistance, procurement and consultation.

In the Department of Agriculture, technical assistance and consultation are provided by (1) the Federal-State Co-operative Extension Service, (2) The Forest Service, (3) the Soil Conservation Service and (4) the Farmers Co-operative Service. In the broad category of financial assistance, procurement and consultation the following agencies are active (1) Agricultural Conservation Program Service, (2) Agricultural Marketing Service, (3) Commodity Stabilization Service, (4) Farmers' Home Administration and (5) Rural Electrification Administration.

Under the first category of technical assistance and consultation, the Federal-State Co-operative Extension Service provides educational and technical counsel to farm families and others seeking this assistance. In the United States, the Federal Extension Service is integrated with each State in its Extension Service by matching of funds as set up under the Smith Lever Act. With regard to the Rural Development Program, this Act was amended in 1955² so that federal funds could be allocated directly to the States and from there to the counties for the employment of personnel to strengthen the existing extension staffs.

In general, the Federal-State Co-operative Extension Service makes available the results of research on agriculture and related fields, helps those concerned to use these results to reduce costs, increase incomes and adjust production more nearly to market demands. Those connected with the Rural Development Program perform three principal jobs (1) increase on-the-farm educational assistance to farm families on small farms, (2) support the county and area committees in their economic and social programs, and in some cases, (3) supply those committees with administrative services in the conduct of the Program.

Over the years methods and procedures of extension work have been revised as experience has dictated and new programs developed. One of the main procedures used now is to involve the people to whom a program is directed. Extension acts in the problem solving framework. Extension now acts with a broader, more varied and less localized population. This suggests teaching aid of mass media nature in such areas as family living, public policy, conservation. On the other hand, some subjects such as management call for a more individual approach.

A major function of the Extension Service is the training for leadership. This is vital to the success of the rural development program since so many of the needs of modern life can only be met by group action.

The Forest Service provides valuable service to rural development since much of the land area in the counties and area under the Program is under tree cover. In addition to the main task of administration of the 149 National Forests, the Forest Service conducts research in improved techniques for forest

¹ Federal Activities Helpful to Communities, U.S. Department of Commerce, Office of Area Development.

² See Appendix B, pps. 62 to 63 inclusive, re Public Law 360 to amend Public Law 83 (The Smith Lever Act).

management and utilization; co-operates with States and private landowners in forest protection and promotion of good timber management; assists county and area committees in surveys of forest resources, markets and employment possibilities. It also co-operates with state foresters in providing forest-tree planting stock for reforestation at reasonable cost.

In the area of promotion of good land use and conservation practices on crop lands, the Soil Conservation Service is a very important agency. Soil Conservation Service technicians make soil surveys, prepare plans for farm and ranch conservation, watershed protection, and flood prevention in upstream watersheds. They also assist in the planning and application of needed conservation practices on grazing lands, woodlands and lands suitable for recreation or wildlife, as well as croplands. The delegation observed that the Soil Conservation Service officials in the States visited are one of the most prominent and active federal group on county and area committees under rural development. They are concerned with better land use in the broadest sense both in on-farm improvement and in the transfer of land now within a farm unit but deemed to be more appropriately suited to other uses, such as forestry or recreation.

The Farmer Co-operative Service provides guidance for farmer co-operatives participating in the Program. It advises the rural development workers and local people on the role of co-operatives and credit unions in rural area economic growth. The research, advisory and educational services are directed towards helping farmers to organize and operate co-operative associations to provide marketing services, to increase returns for their products and to obtain farm supplies and services essential to the farm business.

At the national level, a major program known as the Agricultural Conservation Program is administered by a Service of this name within the Department of Agriculture. It is an important part of a co-ordinated effort to help farmers, part-time farmers and other land users attain desirable soil conservation objectives. The Program operates as a farmer-government partnership by providing a share of the cost of approved soil and water conserving practices. ACP assistance is meant to provide for conservation needs over and above what farmers would carry out with their own resources and on their own initiative. The assistance is generally in the form of financial aid on a sharing basis, but it may also be in terms of materials or services. Participation in the program is voluntary and all farmers are eligible.

Programs are developed and administered locally through Agricultural Stabilization and Conservation (ASC) County Committees who are elected annually by the farmers. Specialists of the Federal Department of Agriculture are available to assist the county and state committees on phases of A.C.P. and other government programs as the occasion arises. The county agricultural extension agent is an ex officio member of the committee. The activities of the county committees are reviewed and summarized by state committees. This applies to approved recommended practices, the setting of cost-sharing rates and the allocation of federal funds.

This program assumes importance in improving the condition and productive capacity of farm lands and in promoting desirable adjustments in land use. Increased allocations have been obtained for use in specific counties designated by state committees for rural development. Considerable importance attached to the use of ACP was noted by the delegation in all of the States which we visited.

The Agricultural Marketing Service¹ contributes to the Rural Development Program by conducting research, including field studies, in co-operation with

¹ Correspondence from Undersecretary of Agriculture with Chief, Production Economics Section, Economics Division, November 14, 1958.

various State Agricultural Experiment Stations on problems of low-income farm families. These may be indicated under five groups (1) studies to disclose the effects of the establishment of new industries upon the level of living of rural people, (2) studies to appraise the availability and utilization of educational facilities for rural youth and to ascertain the relationship between type of education received and later occupational and migration careers, (3) studies of the need for and utilization of health facilities by rural people and their participation in voluntary health insurance programs, (4) studies to determine farmer's attitudes toward and knowledge of the Old-Age and Survivor's Insurance Program and to evaluate the effects of the recent extension of this program to farmers, and (5) studies to determine the economic feasibility of establishing either agricultural processing or marketing facilities or the location of industrial plants in low-income areas.

One of the most important programs which is administered by the Commodity Stabilization Service is the Soil Bank Program. Under this program two basic types of payments are made to farmers (1) to reduce allotment acres of basic crops (acreage reserve), and (2) to put general cropland to conservation use (conservation reserve). Applications for assistance are made through the County ASC (Agricultural Stabilization and Conservation) committee as with the case of assistance payments under the Agricultural Conservation Program.

The delegation found that the Conservation Reserve of the Soil Bank Program was being used extensively by farmers in the counties visited in Kentucky, Wisconsin, Minnesota, Michigan and Maine. The three basic aims of the Soil Bank Conservation Reserve are to take land out of crop production, to make long-time changes in land use, and to protect the land from erosion and other damage. Under the Conservation Reserve the farmer can receive two types of payments (1) an annual rental payment up to a maximum of the basic county rate per acre for three, five or ten year contracts and (2) a conservation payment for approved county practices best suited to the particular land and type of farming. There are three main groups of approved practices as follows. (1) land cover practices such as planting a permanent cover of grass, trees or shrubs (2) water conservation practices such as construction of dams, pits, or ponds, and (3) wildlife conservation practices such as provision for wildlife cover and dams or ponds for fish.

Many farmers on small units or poor land are using the Conservation reserve of the Soil Bank to ease the adjustment from full-time farming to a part-time operation. It enables them to devote all or part of their time to off-farm employment while receiving payment from the land under the program. With Social Security it enables older farm operators to make desirable adjustments in land use and assure a fair level of living.

The Farmers' Home Administration provides a wide variety of agricultural credit services, accompanied by guidance in the development and carrying out of sound farm and home planning. It is intended to provide credit only to those farmers who have capacity to develop but are temporarily unable to obtain the credit needs for established private sources and banks or from co-operative credit agencies such as the national farm loan associations, production credit associations and farmer's co-operative associations of the Farm Credit System.

General objectives of the credit services available through FHA are to assist farmers to make needed changes and improvements in their farming so as to become successful full-time or part-time farmers. Loans are made for operation, purchase, land improvement, farm enlargement, refinancing of existing debt, farm building improvements, soil and water conservation. Prior to December 7, 1959 applicants were required to be established farmers carrying on substantial farm activities, spending most of their time and obtaining the major share of income from the farm. Effective on the above date the

eligibility requirement to spend most of the time farming was revised to provide operating and farm ownership loans for farmers who are regularly employed off the farm. Valuable help is given to applicants in preparing farm and home operating plans, keeping farm records and obtaining advice on credit and farm problems. Primarily these loans are to help farmers who are otherwise unable to obtain enough land resources to develop full-time farms.

The delegation noted that representatives of the Rural Electrification Administration were active in making loans to provide electric and telephone service in the counties visited.

It was pointed out to the delegation that the extension of credit was not regarded as a cure-all to a rural development problem. Elements for success on farms include farm resources that can be developed on a sound basis, good organization and efficient operation of farm enterprises, a market for its products and skill in the use of credit.

The Farm Economics Research Division¹ of the Agricultural Research Service has a comprehensive program of research underway to assist in the work of the Rural Development Program. Studies are made in selected areas to describe in detail the low production or low income problem, to determine the minimum capital requirements to provide given levels of income, to analyze and describe the labor resources and to evaluate possible adjustments in the use of resources that can be made to alleviate the low-income problem resulting from small farms. These studies² are being conducted in co-operation with State Agricultural Experiment Stations. They provide information on adjustments that can be made in the use of resources available to farm families, including changes in farm enterprises, farm enlargement and non-farm employment.

The Home Economics Research Division of the Agricultural Research Service does a considerable amount of research in foods and nutrition and household economics. It provides guides to good nutrition and management, clothing and housing.

Assistance to local areas is available under general policies of the government for procurement of supplies in the Departments of the Navy, Army, Air Force, Atomic Energy Commission, Defense, Federal Civil Defense Administration, General Services Administration, Post Office and parts of other departments. These represent very important demands for products which can be produced in sections of the country that are disadvantaged agricultural areas and have large labor pools.

Valuable technical assistance and consultation service is available, particularly in the 17 western States, to local communities, groups and individuals through the regular programs of the Bureau and Offices of the Department of Interior. Functions of particular value in assisting local areas are the topographic surveys, geologic investigations, and surface and ground water resources investigations of the Geological Survey; research on the utilization of minerals by the Bureau of Mines; and land classification and land-use studies for irrigation, power development, conservation and recreation purposes conducted by the Bureau of Reclamation, Fish and Wildlife Service and the National Park Service in co-operation with state and local agencies.

The Department of Commerce assists in Rural Development activities through the Office of Area Development. The principal goal of this Office is to

¹ Correspondence from Undersecretary of Agriculture, Washington, D.C. with Chief, Production Economics Section, Economics Division, Ottawa, Canada, on November 14, 1958.

² Excellent examples are as follows: (a) An Economic Analysis of Farm and Non-Farm Uses of Resources on Small Farms in the Southern Piedmont, North Carolina, Technical Bulletin no. 138, May, 1959, North Carolina Agricultural Experiment Station; (b) Combining Farming with Off-Farm Jobs in Northeastern Minnesota, Frank T. Hady, Report no. 242, University of Minnesota Agricultural Experiment Station.

assist in the improvement of economic and business conditions in state and local areas. This is done through technical assistance directed to:

- (1) the expansion and strengthening of existing industries
- (2) the development of new industries based on local resources
- (3) the improvement of community conditions to encourage economic growth.

Assistance is given through 33 offices of Field Services to communities in initiating and carrying out industrial and area development programs in securing new industry and helping existing industry through product improvement and new product development.

The Department of Labor has a program called the Community Employment Program which is carried out with affiliated state employment security agencies. It is designed to stimulate concerted local community action to increase job opportunities. In the planning and execution of economic development programs, the Labor Department co-operates by providing manpower information to help community groups attract suitable new industries or expand existing industry. Information about local manpower resources, area training needs and worker's training potential is valuable to existing industries planning to expand and to industries seeking new plant sites. Counselling services on the organization and planning for on-the-job training programs tailored to the needs of existing or prospective industry is provided to any community group such as county or area rural development committees.

The work of the Department of Labor has been influential in expanding employment in the pilot counties of the Rural Development Program, in training programs to improve skills of rural people and in the field of employment guidance. The fourth annual report issued on October 29, 1959 shows that industry growth in 52 Rural Development counties resulted in some 8,000 new job openings.

Starting in 1958, the Department of Labor co-operated with the Department of Agriculture in an experimental program in four States—Arkansas, Kentucky, Tennessee and Wisconsin—to try and fashion more effective job development programs for people with low incomes. Studies called labor profile studies are being conducted in rural areas to provide information on the utilization and productivity of labor, employment status, characteristics and capabilities of the labor force and the availability of labor for off-farm employment. It is hoped that this experimental program will lead to expansion of employment services in rural areas of the limited States.

The delegation was not informed in the States visited of any special work or emphasis of the Department of Health, Education and Welfare directed through the Rural Development Program. It is noted, however, that representatives of the Department at the regional offices and the Social Security officers are members of the county or area development committees. Through the Office of Vocational Rehabilitation consultation services are provided to communities on the establishment of community programs and rehabilitation centers designed to help disabled persons become employable. Grants-in-aid are provided to state vocational rehabilitation agencies on a matching basis for basic rehabilitation services. Grants are also made to educational institutions for teaching purposes to alleviate the acute shortage of professional workers in vocational rehabilitation.

The Social Security program is administered by the Department of Health, Education and Welfare and is concerned with the welfare of older people in rural areas. A larger proportion of people in low-income counties are older than in the average county. A function of some rural development committees has been to acquaint people in pilot counties with the availability of Social

Security. For example in one county in North Carolina, a survey showed that only 49 per cent of the eligible persons were covered by the Social Security Program. This was raised to 94 per cent after people were informed about the program.

In the field of federal agencies that provide financial and technical assistance and consultation services to development of rural areas, one of the most important is the Small Business Administration. Officials of the Small Business Administration from regional offices meet and discuss problems with community leaders and small business men. Individual consultations are arranged with those wishing to develop a small business and technical, managerial and new product assistance is provided. Loans can be made directly to small firms if these cannot be obtained from other financial bodies. Sometimes loans are made jointly with other loaning agencies. These loans are made on a medium or long term basis to purchase materials and equipment, to expand and modernize operations for construction or for working capital. Some of the other services in the advancement of local development programs that foster small business growth and contribute to increased off-farm employment include (1) publishing of booklets and business aids to assist owners and managers of small businesses, (2) assistance in obtaining government contracts, (3) courses to provide instruction in business management, (4) provide counsel in locating and marketing a new line or type of product.

Since one of the main objectives of the Rural Development Program is to increase off-farm job opportunities for those who desire to leave the farm, the establishment of small business firms that utilize local resources is a vital force in broadening the economic base. When existing firms expand their operations and new firms get started, a community gains many benefits. The Small Business Administration acts in a role similar to all other federal agencies of assisting people and organizations to strengthen rural industries through united community action of business men, community leaders and state and federal agencies.

State.—The State Departments and State Agencies active in the Rural Development Program vary in the different States visited by the delegation of the Canada Department of Agriculture. A common threat, however, was apparent in all of them. In most cases the usual state organizations have continued long established activities but these have been more closely co-ordinated and strengthened under the Program.

Invariably the chairman of the State Rural Development Committee is the Dean of Agriculture or the Director of Extension at the State University. Agricultural groups are most numerous at the state level but there are many other departments and agencies serving forestry, business, tourist trade, health, education, social service, youth, employment civic interests and in general in promoting developments outside agriculture. These are referred to in the chapter on organization at the Various Government and Public Levels (see page 10).

The state departments and agencies helping in the work of Rural Development depend on the nature of the problem areas and the organization in the particular State. In Kentucky the member organizations on the State Rural Development Committee include (1) Agricultural Experimental Station and the Agricultural Extension Service of the University of Kentucky, (2) the Bureau of Rehabilitation Services of the Department of Education, (3) the Division of Vocational Education of the Department of Education, (4) Extended Programs of the University of Kentucky, (5) the Department of Agriculture, (6) the Department of Conservation, (7) the Department of Economic Development, and (8) the Department of Health. In other States, the same departments and organizations are usually active in the Rural Development Program but often under other names.

The nature of assistance by University groups is in the fields of education and research. In most cases the results of research are funnelled through the regular extension program and the county agents. There has been considerable increase in technical assistance in pilot counties. Since much of the research of the universities with respect to rural development is done in co-operation with federal agencies it is difficult to separate and identify the contributions of each.

It is difficult to separate and identify the contributions of Federal and State¹ and a breakdown of financial costs was not attempted by the delegation. The cost-sharing varies as between types of assistance and between the federal government and the different state governments. The usual practice is to co-operate in all activities and some of the state obligation is shared by the particular counties concerned.

Assistance to rural communities in the United States in providing an extensive education service has been traditionally done through the land-grant colleges. This assistance has been carried out mainly through agricultural, youth and home economics programs. Other services are now being focussed on a larger section of the people to serve the wider needs of other interests and development problems of the community.

Other.—There are many non-governmental organizations involved in the Rural Development Program. These include agricultural agencies, farm groups, co-operatives, civic clubs, industrial firms, women's clubs, bankers, clergymen, press and radio, local chambers of commerce, school authorities, health groups and youth organization. These are found on the state and county rural development committees and are useful members of the working sub-committees. Many of these national and regional lay organizations and private-industry groups provide essential information and counsel with respect to their particular fields of interest and competency. They also provide other services and financial grants in many cases.

The assistance and services which comes from outside the counties and areas under the Rural Development Program are regarded as merely supportive and not determining. Rural Development agents and federal personnel associated with the Program stressed that the full responsibility and credit for accomplishments rest primarily with the local working committees.

CHAPTER V

Guidelines for Organization and Activity under Rural Development

A recent national Rural Development workshop² reviewed all phases of the program and based on the experience to date came up with important recommendations for future development work. With regard to program organization, a number of guidelines were offered in orienting county and area situations and determining problems, resources and potentials.

A basic step in making wise decisions for effective actions is an evaluation of resources and conditions. This is a valuable way for county committee members to see where they stand and to determine the level of productivity to guide future progress. In this process information and technical assistance are available from research personnel at land grant colleges, other universities, federal and state agencies.

In addition to close co-operation among all groups on county and area committees in determining problems and making an inventory of available resources, it is necessary to stimulate some imaginative and critical thinking

¹ See Appendix C pps. 64 to 67, inclusive for a discussion on federal and state relationship in agricultural education, research and extension.

² Work Group Reports, Rural Development Workshop, Jackson's Mill State 4-H Camp, Weston, West Virginia, May 11-15, 1959.

in order to see potentials or opportunities. Emphasis and follow through in terms of problem solving is essential at this stage. Professional workers can make a valuable contribution at this time in helping the committees to crystallize goals or obtain a consensus of opinion on general objectives.

The committee must concentrate on the low-income problem even though the members themselves may not be in this category and direct their attention to over-all problems and not to a series of individual problems. Involvement of local people should be maintained through discussion, talks by technical persons and consultation on research and publicity.

Potentials or opportunities must be based on facts. Early in the problem determination stage these facts must be faced and those capable of solution separated out. These represent real potentials either in the short or long run.

An important guideline is the utilization of abilities, attitudes and ingenuity of people in agricultural improvement and industry development. An inventory of the human and organization resources of all agencies, organizations and groups should be part of the total resource evaluation. At the same time an aggressive and willing offer of these bodies to participate is a prerequisite.

Much useful information is at hand in a community which can be utilized by rural development committees. These can be marshalled for early use through community meetings, school classes, newspapers and interviews with neighbors by committee members.

Probably much of the success of the Rural Development Program in the pilot counties has been the result of co-ordination of effort and co-operation between agencies and organizations at the federal and state levels. As far as federal groups are concerned this has been handled through the Committee for Rural Development Program through suggestions and statements of policy. These aid in clarifying responsibilities for leadership. Federal groups are directed to associate themselves with early planning and to clarify their organizational set-up and lines of communication.

Frequent meetings and reporting are recommended to ensure that all agencies are mutually informed and that there is complete co-operative understanding.

In most cases, county and area committees are advised to utilize groups that already exist to avoid over-lapping and competitive situations.

Within agriculture, economic development and means of expansion are limited in many rural development areas. Some of the problems in low income areas are probably unique in that they call for different approaches than the income problem of commercial farms. Current economic research¹ of the Agricultural Research Service in support of the Rural Development Program provides basic data for planning long-range adjustments.

Results of the initial fact-finding phase of the co-operative ARS-experiment studies point to several significant features of agricultural adjustment. Farm family data are classified into groups on the basis of such factors as age of family head, number and age of family members, educational level and training and farm resources available. Farm and non farm employment adjustments were also studied. Some pertinent findings are as follows:

- (1) low income problems in rural areas applies to both farm and non-farm families and solutions to the problem are not separate for these groups;
- (2) the problem is primarily one of underemployment and under-utilization of resources;
- (3) employment opportunities in industry or other non-farm work need to be considered on an area basis rather than a county basis;

¹ See "Guidelines for Rural Leaders in Low-Income Areas, Inman, Buis. T. Head, Law-Production Farms Section, Agricultural Research Service, U.S. Department of Agriculture, July, 1959. •

- (4) employment opportunities on farms in low-income areas are likely to decrease. While some farm enlargement will occur, the general trend is towards use of the less productive cropland for pasture and forestry.
- (5) population is expected to decrease in low-income areas and to be selective as to age and training. This suggests change and realignment of rural organizations and institutions.

Means of expanding incomes in many of the counties under rural development are limited by lack of credit, inadequate resources, inadequate kinds and use of extension services, inadequate opportunities resulting from inherent characteristics of the agricultural industry and unawareness of new developing opportunities. Farmers in low income areas with a real desire to remain in the business can be helped by programs that outline credit sources, knowledge of the use and management of credit through credit counselling services and instruction of farm management concepts to improve managerial ability. With regard to improvement in the resource situation other than capital, there are worthwhile suggestions such as the rental of unused suitable farm land, encouragement of purchase or gradual transfer of farm ownership from retiring to active operators and public purchase of farms.

County and area committees can help to maximize the services which are available through federal and state programs. These committees can also evaluate and test the services so that they can be supplemented, changed or replaced to serve the real needs of low income farmers.

Other guidelines within agriculture under the Rural Development Program which were outlined at the recent workshop include advice to farmers of opportunities and potentials to be attained through possible new farm and woodlot enterprises, area specialization and changes in the processing and service businesses associated with agricultural production.

Resource development guidelines outside agriculture relate largely to improvement and help to existing industries, encouragement of new industry, developments in the tourist trade, in parks and the general recreation field. Some other development guidelines are provision of vocational training in specific skills for youth and adults and planning and zoning for all development and improvement programs.

After the proper course of action is determined, local, state and federal co-operation is essential if a high and lasting degree of improvement is to be enjoyed. Care must be taken in all the steps involved in a program such as financing and credit, co-ordination and thought and effort and responsibility for leadership.

A major stage in the development of industrial interest and associated possibilities, is the collection of basic facts through research and study, recorded and publicized. These basic facts relate to such things as the amount and kind of labor in an area; present and potential vocational educational possibilities; attitudes, needs and wants of people; tax structures, school and church situation; power, transportation and site situation; recreational facilities; social and cultural standards.

One of the important matters in the improvement of community facilities and services has to do with the health of rural people. Rural development committees can study the local situation to see how health affects their income, education, recreation and all-round development. They can also help people to use all the kinds of public health and vocational rehabilitation services that are available. Plans can be worked out to improve conditions to prevent illness, promote good nutrition and periodic physical examination and generally to work with health leaders and groups.

Provision for greater opportunity for rural people to obtain training for non-farm occupations is a recognized objective of rural development committees. Guidelines are needed with respect to establishment of vocational instruction

for adults and to provide opportunities for youth. Regarding vocational training for adults, part of the job is to encourage and develop good attitudes and to get local people to provide instruction and learning opportunities. In the past youth work has been one of the activities promoted by the Extension Service through 4-H Clubs. Guidance and counselling of students is a profitable area that warrants more attention.

Along with the matter of training for skills in non-farm positions, there is a real need for employment guidance and counselling.

One of the fastest growing industries in the United States is the tourist trade. People are devoting more time to recreation. Factors contributing to this growth include: shorter work weeks; improved highways and transportation; higher family incomes; more paid vacations of workers; growing ranks of retired people resulting from longer life spans and earlier retirement age; stepped up promotional programs by local, area and statewide trade associations; and intensified interest of people to go places and do things.

Guidelines to rural development committees to encourage increased business in the tourism and recreation business include several important types for low income areas. In the matter of tourist facilities, rural development committees in several States are helping people to develop more and better lodging such as cabins and motels and to establish better food services in restaurants and snack shops. Areas of low income often have physical features which are conducive to good resort sites for swimming, fishing, skiing, hunting and the like. This means boat and motor rentals, guiding services, camps, playgrounds and other services.

Associated with tourism and vocational potential are such possibilities as the development of roadside marketing of fruit, vegetable and other farm products, gasoline and other auto services, development of home industries and sale of home-made crafts and souvenirs.

Local citizens are urged to participate in the Rural Development Program in pilot counties and areas through three broad guidelines. Special pains are taken by the Committees to stress the basic concept of rural development such as (1) it is a total development program, (2) it must be broad, over-all, including agriculture, industry, education, tourist trade, etc., (3) it involves all interested organizations, groups and individuals in a co-ordinated action program. Various means are taken to make people realize that their participation is essential.

CHAPTER VI

Rural Development in Selected States

The concepts of the Rural Development Program, the problem aspects of low incomes and the associated rate or lagging economic growth have been outlined. The delegation visited sections of seven States and had a chance to see something of the Program in action. These included Kentucky, Wisconsin, Minnesota, Michigan, Washington, Montana and Maine (see Appendix A).

Kentucky.—In Kentucky the Program got underway in the middle of 1957. At the present time rural development activities are centered around three trade areas, i.e. Ashland, Bowling Green and Glasgow. There are certain counties in each area that are designated pilot counties. In the case of the Bowling Green trade area, located in the southwest part of the State, the pilot counties are Butler and Metcalfe. The delegation spent most of its time in this trade area.

Apparently early attempts to get the Program underway there were not successful because the lines of direction were from the state level to the local areas. There was little co-ordination of effort between the various groups of local people. The focus is now on local direction and activation with the

people themselves determining the type of action to be taken. The state and federal personnel help to determine the problems and offer suggestions for solution. We found a very strong awareness and feeling in Kentucky among the lay county committee members that the organization and program must develop and remain at the local level and that the committees comprise all phases of social and economic life. The Program in Kentucky is now regarded by federal officials as one of the better ones.

The views of leaders in rural development in Kentucky coincide with the general objectives of the Program outlined to the delegation by representatives of federal departments and agencies in Washington. The principal objective in Kentucky is to speed up change and adjustment in rural areas by stimulating local initiative and increasing all kinds of services. Major changes in mind include more part-time work off farms, industry development, better schools and education, improved farming with new methods of producing higher value products, community planning and co-operation. Every effort is made to involve every agency and private organization in the community, county or area and to contribute to the goal of sound, economic and social progress.

In Kentucky we found two types of approach to the problem of improving low income and underdeveloped areas. These are organization on a single county basis and a trade area basis. A total of six counties were in the Bowling Green trade area. It is believed that certain problems, particularly those dealing with industrial development and employment, can best be attacked through an area approach.

The use of the term "Rural Development" is not regarded by committee members as being desirable. They pointed out that area development and resource development was envisaged. Also since action is needed on a wider community basis than inferred by "rural", it would be more satisfactory to drop this word.

The services of the state committee are educational and technical. These are educational in the sense of providing the knowledge, needed skills, guidance and stimulation and technical in the sense of providing interpretation through demonstration, procedure and professional assistance.

Development in the pilot counties and trade areas is conceived to be in three general areas, economic, civic and attitude development. By economic development they mean it is possible for individuals to obtain more profit, to promote better marketing facilities and to recognize and encourage the over-all generators of income in a county or area. Civic development means the raising of educational levels; improving community services and facilities such as better schools, roads, health, communications and religious opportunities; and training of the active or latent leadership in the handling of their own problems. Attitude development means creating a mental climate to receive new ideas with an open and objective mind and willingness to assume certain responsibilities for self and community betterment.

At Bowling Green the delegation met with the local county resource development committee. This committee is made up entirely of lay people from all areas of influence in the community. Federal and State officials were there as advisors and not as members of the committee.

The delegation also met with the area extension agent and a group of county extension agents from the trade area at Bowling Green. The area extension agent works entirely on rural development without any administrative authority. He works through the regular extension system of the State with his sole purpose to inject enthusiasm and to aid in pointing the program along the best possible lines.

The work of a regular resource development committee is usually organized under a four-pronged attack. The four standing resource project

sub-committees are (1) agriculture, (2) industrial, (3) education, and (4) sociological, including public relations. Other project committees are formed as required, such as roads or telephone and communications, to carry out the county program.

There are also federal agency committees at area and county levels. Their function is to create awareness and recognition of the real problems among the people and to assist in solving problems and implementation of projects.

Sometimes community committees are organized along the same general lines as a county or area committee to serve specific local needs. The delegation visited the Readyville community center in Butler county. This is an isolated rural community and their projects ranged from the building of a community center to several small specific annual projects.

The delegation met with the county extension agent in Logan County and some of the county committee and agency representatives. The main activity in Logan County has been conducted by the agricultural sub-committee. Since Johnston Grass creates a serious weed problem in the region, a program of eradication was set-up. Recommended tillage and chemical control practices were promoted through the A.C.P. cost-sharing program. Demonstration plots were also set up by the committee. Other projects by this committee was the promotion of a clean-up paint-up campaign, farm home name plates and location of trash barrels along highways and main roads.

Other committees conducted activities in community health, farm-city week activity, watershed development and a committee on vocational training arranged for courses for adults unable to read or write.

At Morgantown in Butler County, the county extension agent listed 17 accomplishments to date under the rural development program. Results include (1) development of community centers such as the one at Sharer, (2) organization and revival of 4-H Clubs, (3) establishment of better pastures through ACP and promotion of dairy and beef enterprises, (4) organization of parent-teacher groups, (5) social and community activities, (6) improvement in management through use of Farm and Home planning, and (7) change in attitude of businessmen towards farm development and local bankers more willing to loan funds, (8) increased business activity in Morgantown, (9) development of a health center, (10) new construction and remodelling of homes and churches, (11) sprucing up of old stores through new store fronts and street improvement, (12) moves to attract industry by local businessmen, (13) sponsoring of a fair and building of new sports center and boat decks, (14) the holding of trade schools in welding, electricity, plumbing, (15) promotion of feeder pig businesses and holding of sales, (16) the setting up of an artificial dairy cattle breeding association, and (17) new stores and businesses.

A good example of a project carried out on an area basis was a local drainage improvement project affecting 13 farm units. The problem had always existed but nothing had been done due to lack of initiative. The agricultural committee made use of the technical services of federal agencies to investigate the problem. The Soil Conservation Service conducted topographic, drainage and soil surveys. A drainage project was approved and completed through the combined teamwork of local people and governmental agencies. This improved the productivity of these lands.

A considerable amount of research has been done in rural development areas in Kentucky by the staff of the Experimental Station at the University¹, the Departments of Economic Development, Vocational Education, Extension

¹Reference has been made to research done by federal agencies in co-operation with State Agricultural Experiment Stations. An important example of this in Kentucky was a study "The Educational Attainment and Future Plans of Kentucky Rural Youths" Bulletin 664, January 1959.

Service and the Soil Conservation Service. Contributions include providing of basic data in determining the agricultural, industrial, social and educational situation. Many surveys have been conducted on such things as vegetable crop, poultry opportunities, labor profiles and conservation.

An important state official expressed concern over certain assumptions of the rural development concept. These were (1) that farm people in low income areas can really solve their problems, (2) that the Rural Development Program is regarded as a cure-all and that it takes two or three years for people to realize it is not a financial hand-out, and (3) that there is a tendency to attempt to work out devices to keep and employ all of the people within the particular county or area.

The delegation was impressed with the effort put forth by federal agencies in Kentucky and their earnest desire to work as a team in assisting area, county and community rural development committees. The work to date has demonstrated the value of co-ordinated effort and group action by lay people. These people have been made aware of problems by federal and state bodies and have been made to feel the need for action.

Wisconsin.—The Rural Development Program in Wisconsin is found in the pilot counties of Price and Sawyer and the delegation talked with officials in both of these counties. In this State, the Program is conducted by committees on a county basis only as contrasted with an area, county and community basis in Kentucky. Dr. H. L. Algren, Associate Director of Extension said the Program was started in September 1956 and was fitted into the regular state extension organization which is on a county basis. He said that "A Resource Development Program has all the essential ingredients of the extension program in the future".

There is a state committee on which there are representatives of all federal and state public agencies, a total of 34 agencies. Private organizations are not represented nor are farm organizations such as the Farm Bureau. The chairman is the Director of Extension.

The set-up in Price and Sawyer counties is viewed as experimental but the county committees are anxious to expand the Program. Three more extension persons have been employed through extra federal funds under the Rural Development Program. Steps are being taken to enlarge the Program on an area basis and a Resource Institute for a number of counties in northern Wisconsin was held in October, 1959.

The effectiveness of the Program is regarded only as strong as the wish and desire of the people to solve their problems and the types of public programs and responsibility of public agencies in helping them.

The first step in the Program in Wisconsin is to determine the basic problems and in this regard the county committees are assisted greatly by all the research agencies of the State. In Wisconsin, all extension or county agents are staff members of the University. All facilities of the University are dedicated to the development and utilization of the resources of the State.

From the start of the Program in Wisconsin, emphasis was placed on total resource development as well as agriculture. Special pains were taken to refrain from reference to "low income farms" or "rural" development. It was felt this placed a certain amount of stigma on areas or people by identifying them as such. The program is referred to the "rural resource development program" in Wisconsin.

In Price county, the resource development program, which is not considered to be separate from the regular extension program, was first set as a county organization called the County Resource Development Committee. A legal body called the County Board of Supervisors appointed the first committee consisting of about 70 men and women from all walks of life and interest. All

communities and organizations were represented on this committee. The committee was then divided into seven sub-committees representing agriculture, forestry, industry, recreation, education, health and welfare, and publicity and promotion. The chairman of each sub-committee, the chairman of the county committee and the extension agent form the executive committee.

All the county extension personnel, who include the Agricultural Agent, the Home Agent, the Forestry Agent and the extension agent for Rural Development are working towards the goals of over-all rural development in their respective fields.

Many public and private organizations are active in the Program in Price county. These include, among others, all the federal agents noted previously; state departments such as Employment, Community Development, Industrial Development, Conservation, Public Instruction, Vocational Education; local chambers of commerce, forest and other industry firms.

The University of Wisconsin through the Agricultural Economics and Rural Sociology Departments has taken the lead in making the basic inventory of the natural and human resources of the county and in conducting research. A series of reports have been prepared under the general subject of the changing role of agriculture. These are (1) some highlights concerning open-country people, (2) some highlights concerning employment and migration of open-country people, (3) service orientation, and (4) an analysis of recent population trends. These studies have pointed up such things as (a) trend to fewer and larger farms, (b) changes in age distribution showing a high proportion of farmers in older age groups, (c) ineffective use of human resources, (d) trend to people living in open country but working in non-agricultural industries such as processing of low grade hardwoods and tourist trade.

Prior to the switch to a resource development program in Price and Sawyer counties, the extension agents carried on some non-agricultural activities in addition to the regular highly developed agricultural activities. But under the resource development program these have received increased attention. For example, the forestry agent now carries on the work formerly attempted by the county agricultural agent. In order to take care of the increased work load. The State now employs four foresters to service requests in the county rather than only two for the district before the program.

Increased attention has been given to the development of flowage¹ areas for recreation and wild life use, to the securing of new industries to manufacture the raw forest materials and to encourage present wood-using industries to expand and develop new product lines. Three resort recreational institutes have been held for resort operators at which mutual problems were discussed and information provided on business management, promotion and publicity programs and quantity cookery. The committee on recreation has worked with the cities of Phillips and Park Falls in developing and improving their present park systems.

In Sawyer County a resource development program has been underway since 1943 when the county agricultural agent (only extension member in county) developed a program based on a personal interpretation of needs of rural people. In 1945 a planning committee was set up and it remained the nucleus of the present 30 member county resource development committee formed in 1955.

The extension staff has been enlarged since the start of the resource development program. It now includes, in addition to the county agents, (1) a Farm and Home Development agent, (2) a Home Demonstration agent, and (3) 4-H Club agent.

¹ This term refers to the improvement of lake levels by means of earth embankments with controlled outlet structures.

It was recognized that this county has physical and economic disadvantages in terms of an agricultural program which results in low incomes and hardship. The new county resource development committee has assistance from the University research personnel in appraising the resource base, in determining the problems and fields of action.

Sawyer county is fundamentally suited to non-agricultural pursuits and the emphasis is on resource development related to reforestation, forest management, sawmills, woodworking industries and Christmas tree trade and utilization of wood by-products and wood waste; recreational expansion through lake shore improvement, restoring lake levels, planning parks, picnic grounds, public landings, summer home and resort developments; youth programs; basket making and other handicrafts of Indians on reservations; and other things such as wild rice production and maple syrup projects.

The county agent spends a major part of his time as a consultant with individuals who come to him with a desire to establish a small business utilizing local wood products or other local resources and which hold promise of providing employment for local people. He helps these persons to develop ideas and plans for business establishment, obtain the services of appropriate federal agencies and assists the persons to obtain adequate credit and supervision. The county agent appears to have been quite successful in this regard. He shepherds the enterprise through its early period of organization and development but leaves the major decisions and operation to the individual.

Agriculture is only a small part of the resource development program in this county but development is promoted through such things as (1) demonstration of pasture improvement, variety testing and fertilizer use, (2) help in establishing broiler poultry plants, layer flocks, hatching eggs and turkey flocks and (3) mink farming.

Minnesota.—The delegation visited the counties of Carleton and Itasca in Minnesota. These are two of the three pilot counties organized under the Rural Development Program in 1956. During the first two years the efforts of the State Committee were concentrated in the counties of Carlton, Itasca and Hubbard. Rural development agents were employed by the State Extension Service and placed in each of these pilot counties. In addition, an area rural development agent was employed to co-ordinate the work for the area. County sub-committees formed usually include representatives of agriculture, forestry and conservation, family living, finance, marketing and transportation, tourists and resorts, industry and business, and health education and welfare.

These and other counties in the Program are found in the northeastern part of the State where iron mining (Mesabdo Range), lumbering and pulpwood are important activities and low farm income characterizes agriculture.

The over-all county program in Carlton is under a Rural Development Council composed of 11 members. These include a chairman, two program vice-chairmen, seven committee chairmen and the Rural Development Agent. Approximately 200 people have taken an active part in guiding and directing the whole Carlton Program. Farm organizations and a number of private industry firms, educational institutions and civic groups have taken part in the Program. Commercial clubs have helped to prepare an industry and business fact sheet of the county and have investigated industrial prospects and location of sites. A large power company and local banks have associated themselves prominently in the Program.

Probably the Soil Conservation Service has given the most assistance in the Program of any federal agency in this county. There was little help from the Soil Conservation Service prior to Rural Development. They have carried out all phases of their activities including soil surveys and testing; farm planning including farm organization and income possibility analysis; engineering

services for drainage, water ways and water shed management; and helped farmers with such things as cropping systems, fertility problems and soil and water management. Farm and home development has a prominent place in the Carlton program. The federal agencies work with the Extension Service and private and co-operative organizations in this phase of the Program.

Since the start of the Rural Development Program in Carlton more farmers have taken advantage of ACP cost sharing than during the whole 20 years of agricultural assistance. Adjustments of agricultural assistance and practices have been made by the Agricultural Stabilization and Conservation State and county committees to meet the local needs. The most important are with respect to pasture and grass mixtures, seeding rates and use of fertilizer.

In addition to farm improvement many operators are enlarging their holding and increasing dairy and beef herds when satisfactory loans can be arranged through regular credit sources. There is also a trend to part-time farming and off-farm employment. Some complaints were heard that this prevented them from qualifying for loans under F.H.A. In general, however, farmers are encouraged to obtain work off farms to supplement low incomes from farm operations. The use of the conservation reserve section of the Soil Bank has been less than any county in northeastern Minnesota. Only 6,224 acres out of a total county cropland acreage of 87,653 has been signed up under this program. Two-thirds of this was accounted for by two farms so that the retirement of low productivity land on small farms has not taken place here. It might be noted at this point that out of 1,545 resident farmers in the county only 350 are classed as full time farmers (1956 census).

Reforestation and forest management is being promoted in the Rural Development Program. Interest is very high as evidenced by the number of orders for transplants. Last year 100,000 trees were planted in Carlton county. The main difficulty is in obtaining a supply of nursery stock and desirable species.

The Industry and Business Committee in Carlton County has studied the possibilities and limitations of a number of businesses including the charcoal and peat processing industry. There is an abundance of peat in the county and one concern has shown interest in expanding its present operations.

In Minnesota, several county groups have suggested that the name of the Program be changed to "resource development" as this title would be more acceptable to urban people. With the rural development title, urban leaders show little interest and are often reluctant to accept responsibility.

Operations under the Rural Development Program have been carried out for a little over two years in Itasca County. The County Rural Development Council has eight sub-committees dealing with agriculture, forestry, industry, tourist and recreation, health education and welfare, family living, finance, and rural roads. The only full-time worker on rural development is the extension agent in rural development. The soil scientist, the soil conservationist and a conservation aide in the Bemidji office of the Soil Conservation Service devote about six days per month specifically to rural development activities. Other prominent groups assisting in various phases of the work are the United States Forest Service, the Minnesota Conservation Department, the University of Minnesota, North Central School of Agriculture at Grand Rapids, the University of Minnesota Experiment Station, the U.S. Lake States Experiment Station, the County A.S.C. Committee, the County Welfare office and the Minnesota Public Health office. Private industrial firms helping include a large power company, a large paper and pulp company, a forest products manufacturing firm and two co-operatives, one electric power and the other a consumer co-operative store.

The Agricultural activities in Itasca County are similar to those outlined in Carlton County. Emphasis is placed on promotion of approved practices under

A.C.P. cost sharing, soil mapping and testing by the Soil Conservation Service and a group of farmers are keeping accounts and analyzing them under a Farm and Home Development approach. The Agricultural Committee has done some work in promoting feeder pig production and improving potato growing under approved practices through educational meetings.

The North Central School of Agriculture and Experiment Station at Grand Rapids has been a valuable educational force in the area. There are facilities for some 100 students. A definite trend was noted in discussions with the area and the county extension agent to less vocational training courses in agriculture and more in industry. Last year a course in woodmen's training was initiated. Thought is being given to a complete switch from agricultural courses to courses which will fit people for jobs in industry.

Before rural development started in the County there was no active committees working on industrial development. Since then the Chamber of Commerce in Grand Rapids has been promoting new industries to utilize local resources and encourage outside firms to set up plants in the area. Help has been given to several people to market handicraft items. A local ceramics shop is now selling souvenir items to resorts and tourists.

The delegation toured a local wood processing plant which was producing building and snow fence lath from low grade hardwood, i.e. American aspen. This plant also processes pine, basswood and popple¹ box lumber. This small but efficiently run plant was providing employment for 15 men for ten months of the year.

The tourist industry in Itasca county brings in over two and a half million dollars annual income which approximates the revenue from agriculture or from forestry. A vacation-travel study conducted by the Minnesota Arrowhead Association in co-operation with the Iron Range Resources and Rehabilitation Department indicated, however, that there is a need for upgrading and improvement of the resorts and tourist facilities in 19 northern Minnesota counties including Itasca. This is being done mainly through the Resort Owner's Association by such things as training of operators in better management, helping with building plans, encouraging the provision of additional services at resorts, hotels and motels and emphasizing the importance of courtesy and friendliness by all persons in the tourist industry.

In Itasca county, as elsewhere, the Rural Development Council has made a real contribution in defining the problems of rural families and making people aware of trends. This self inspection enables committees to discuss problems intelligently and to make plans through group action for betterment. Under-employment of rural families is a serious problem in northeastern Minnesota. Mechanization in the iron mines and in forestry operations, as in agriculture, has reduced the needs of labor. Many miners are part-time farmers and low labor requirements have aggravated the situation and point to need for adjustment.

Michigan.—In Michigan, the entire Upper Peninsula which includes 15 counties, has been designated as the Rural Development area. The counties of Delta, Alger and Mackinac were the initial pilot counties when the Program became operative in November, 1956. The Upper Peninsula includes nearly one-third of Michigan's geographical area but has less than five per cent of the State's population. The Economy of the area has been largely influenced by extractive industries which market timber and iron and copper ores as raw materials to be processed elsewhere. But things have changed with the gradual depletion

¹Popple is a colloquial term used in the United States to describe American Aspen. In Canada, poplar is the most commonly used term.

of the lumber and mineral resources. Agriculture is the fourth largest source of revenue. There are many small inefficient farms that are contributing little to the owners and to the economy of the area.

In 1956 the co-operative off-campus activities of the Michigan State University were combined under one head. This was held to be the first time in the history of land-grant colleges in the United States that an integrated program was developed in any specific area. The "Resources Development" program, as it is called in Michigan, is headed by a District Extension Director and the headquarters is located at the Upper Peninsula Extension Center at Marquette.

Prior to this step, the educational activities of the Extension Service were essentially rural and agricultural oriented, but, with simultaneous development of the rural development concept by the Federal Government, resources of many agencies, institutions and organizations were brought to bear on all development problems of rural areas. The Co-operative Federal State Extension Service was joined by the Continuing Educational Service, the Labor and Industrial Relations Center and the Highway Traffic Safety Center in getting the Upper Peninsula Resource Development Program underway.

The services of the University are made available to communities through the Center at Marquette. The District Extension Director has a staff of specialists serving in the fields of general education, vocational education, community development and program promotion. Other specialists are available from the University staff at Marquette in such fields as dairying, forestry, communications, home economics and agricultural economics.

Seminars and meetings enable the District Extension Center staff members at Marquette and University program leaders and specialists to maintain a clear picture of the economic and social situation, to determine available resources and to develop objectives for the direction of leadership. The fruits of these meetings are passed on to the county extension staff and the county resource development councils.

There is an Upper Peninsula Rural Development Council. The purpose of the Council is to help develop programs in specific counties, to obtain recommendations, to establish priorities, and to best determine what each participating organization might contribute.

A large number of federal, state and non-governmental agriculture, industry, farm and civic groups participate in these meetings upon invitation of the Upper Peninsula Extension Center. These include the Soil Conservation Service, Farmers' Home Administration, Social Security Administration, Department of Economic Development, Michigan Farm Bureau, U.S. Department of Commerce, Production Credit Association, Michigan Department of Conservation, Agricultural Stabilization and Conservation, Water Resources Commission, Department of Social Welfare, Michigan Employment Security Commission, Upper Peninsula Development Bureau, Michigan State Grange, Small Business Administration, Michigan Farmers Union, U.S. Forest Service, Michigan Department of Health and the Federal Land Bank Association.

The focal point for action in the Program is the county extension director (formerly a single county extension agent) and his staff of assistants. In the case of a typical county such as Delta County, these are listed as the county extension agent, Agriculture; the county extension agent, 4-H; and county extension agent, Home Economics.

The authority and responsibility of accepting or rejecting programs, advice and ideas concerned with a county extension effort is largely vested in the county extension staff. The function of the county extension staff and of their supporting county and district advisory group is to plan programs and carry them out. This is done by involving people at all levels in the problem-solving approach so that workable programs might be established in which people have a personal interest.

The county extension directors are responsible for all types of non-agricultural improvement programs as well as servicing the traditional farm, home and 4-H club programs. The role of the extension worker has changed in Michigan, as in most other States, from an informational and consulting agricultural service role for individual farmers and farm groups to one of service to community groups in new and varied capacities. These services relate to such things as public problems as school and educational matters, roads, zoning ordinances, taxation, wise development of resources, health, safety; development of the tourist industry; development of co-operative group action in marketing; farm management problems; reforestation, forest management of small woodlots and development of forest product markets; vocational guidance; encouragement of new industry and help to small industry.

Although changes in the role of the county extension agent have taken place, most of the traditional extension methods are still effective in reaching the maximum number of people. Among those used are publications of various kinds, news stories, radio, television, mailing lists, telephone calls and personal visits. In Michigan, new distinctive approaches are being used. These are (1) shift from meetings of a general type to meetings of a more intensive and depth type involving small groups, and better use of mass media, (2) intensive workshop type meetings, (3) personal counselling to assist individuals to examine and decide on alternatives, (4) special conferences to accent the need for action on a particular problem, (5) special workshops and training courses for teachers with or without credits, (6) service pools of technical assistants, (7) use of the county extension director's office by specialists for private counselling and (8) use of surveys as a determinant of area needs and resources and to serve as an educational tool.

The delegation discussed programs in the Counties of Marquette, Delta, Alger, Luce and Mackinac with county extension directors. At the County extension director's office in Escanaba (Delta County), we found an intensive rural development program underway in the areas of (1) agriculture, (2) forestry, (3) industries, (4) vocational training, (5) tourist trade, (6) zoning, and (7) public information and relations.

One of the items of the agricultural program in Delta County includes a move to encourage utilization of rough waste land, of which there are extensive areas, by beef herds operated on a cow-calf basis. It was felt that a 50 beef cow herd could be handled on an efficient basis by part-time farmers. Activities of the industry council included help to establish a \$400,000 fence post business utilizing cedar from State and national Forest swamps; and a survey on location factors relative to a potato flake plant which was later put into operation. In the vocational training area, a group of 100 lay people have discussed with consultants of the State Department of Education the need for and feasibility of a "community" college which would offer practical courses under a broad vocational and technical training program.

The tourist trade in Delta County is a 19 million dollar annual business. A great deal is being done to improve tourist facilities through training courses for young people as resort workers, helping motel operators improve designs of building and services and encourage better food preparation and service. A serious problem which they plan to tackle relates to zoning. Many people working in Escanaba live in adjacent rural areas, (termed locally as "bedroom communities") often living in very poor buildings which detract from good neighboring homes.

A number of excellent reports have been prepared which have served to cultivate good public relations and to maintain local interest. These reports are concerned with area development, the tourist-trade and the potato flake industry.

Full and active programs in the other countries were described to the delegation. In Alger County, a broad program is underway in tourism, forestry,

agriculture, public problems, education and schools, zoning, home making and youth work. Probably the most active of these is in the areas of tourism and education.

The population density in Luce County is probably the lowest of any county in Michigan. The number of farms is only 90, of which only six are classed as full-time farms. Most of the land is suited to forestry and recreation. About one half is owned by the Federal or State Governments, approximately 35 per cent by large industrial and business companies and 15 per cent by private individuals. Despite the unimportance of agriculture, the activities of the county agent prior to rural development were confined to agricultural matters.

The early experience of the county extension director in connection with program formulation was similar to the early attempts in Kentucky (see page 25). Local government and state officials surveyed conditions in the county and came up with a program but the execution failed because it lacked local support. When local lay people were brought into an educational program by such groups as local chambers of commerce results were obtained. These included a training school for waitresses, a food service institute, winter sport promotion such as skiing, small local conservation projects and the preparation of a new county map showing such things as location of trout streams, roads and land ownership. Active interest groups were developed such as businessmen, homemakers, farmers and tourist and resort operators. Through a survey conducted by the Newberry Chamber of Commerce of the members of these groups about 400 ideas relative to individual business and total area improvement were obtained. Out of seven original sub-committees of the county resource development council five are now functioning and the county extension director now feels he is leading the people in actual resource development rather than being just an organizer or promoter. Most of the people active in the resource development committees are businessmen and are stressing projects concerned with conservation, forest management and use, water, resources development and recreation promotion.

In Mackinac County, near St. Ignace where the new Mackinac Bridge crosses the Straits, the main stress under rural development is centered on the tourist industry. Here the annual income from the tourist and industry resort business is estimated to be 13 million dollars as compared with only \$800,000 and \$600,000 in forestry and agriculture, respectively. Fifty per cent of the population live within ten miles of St. Ignace. Surveys are being made on the tourist business relative to such matters as traffic flow, motel standards, maintenance of natural beauty, etc. Zoning layouts of new towns and resort centres is an important need with the development and relocation of improved highways.

In the whole Upper Peninsula, the tourist and resort business is the fastest growing source of revenue and at present nearly equals the income from forestry or mining. It provides a boost for the area's economy through returns to resort owners and wages to employees. Unspoiled scenery is a major attraction of the area. There is considerable room for expansion in the industry in Michigan especially through a greater variety of activities and facilities which would extend the tourist season into the fall and winter.

Washington State.—Stevens County was one of the original pilot counties designated under the Rural Development Program but it was October, 1957 before a start was made. This fifth largest county in Washington is mainly located between mountain ranges and was formerly covered with heavy forests. There are a number of relatively large agricultural areas in the southern part and smaller areas in the north. About 50 per cent of the farms range from 100 to 500 acres in size. Hay, usually alfalfa or other legumes, is grown on most farms and pasture acreage is high with about 43 per cent of the farmers having

tillable pasture. In addition there are frequently sizeable acreages of non-tillable and woodland pasture. Timber is an important product on Stevens County farms. Due to the relatively large acres of hay and pasture, dairy and beef cattle enterprises are common. Oats, barley and wheat are fairly regular cash crops in this order of importance.

In addition to the agricultural and timber resources, Stevens County is endowed with rich mineral resources and water power. The extensive areas with natural scenic beauty are conducive to a large tourist and recreational trade throughout the entire year.

A State Rural Resource Development Advisory Committee was set up in 1957 comprising representatives of various federal and state government departments and agencies, state and local county commissioners, farm organizations, women's clubs and homemakers. The chairman is the Director of the Institute of Agricultural Sciences at Washington State University at Pullman. There are 40 active members on this committee.

The State Extension Service employs a total of 200 persons and 162 of these work in the 39 counties. About two-thirds of the extension workers in the State are men and the balance are women. The Extension Service has assumed a major role in Rural Development in Stevens County and the senior extension agent is the chairman of the county planning council. The Extension Service co-ordinates its work in Stevens County with extension activities from the University of Washington at Seattle in the fields of community development and planning and adult education.

In 1957 a state extension "task force" on rural development was organized with the responsibility of planning and conducting a program of research. This was used to provide background information on the current situation in Stevens County. These data provided the basis for problem analysis and program planning and projection. The group consisted of representatives from the Extension Service, the Department of Rural Sociology and the Agricultural Economics Department of the Washington State College at Pullman.

A Rural Development Steering committee was organized in Stevens County and they undertook the initial promotion of the Rural Development Program. They were originally appointed by the County Board of Commissioners and were people engaged in farming, local business and service and in the past had taken an active part in improvement and development of specific interest fields through different clubs and civic organizations. They divided into the following groups (1) agriculture, (2) lumbering, (3) mining, (4) youth, (5) tourist and recreation, (6) new industries, (7) community planning and (8) education. A large number of meetings were held with the extension agents and resource leaders from the State College and the University and a comprehensive program of study was outlined.

This steering committee saw the need of getting more people involved in rural development work throughout the county and decided on a representative, geographic community or trade area basis. The county was divided into 16 areas, one of which was the Spokane Indian Reservation, and two persons from each area were appointed. Regular committees were set up and they devoted their attention to interests such as agriculture, industry and employment, tourist and recreation, forest use and management, transportation and communication, better living, education, public policy, mining and youth. This organization is the Stevens County Rural Development Planning Council and a large number of people serve on these committees. In general they have the following responsibilities: (1) to study the present needs of their community, (2) to appraise the resources available to meet these needs, (3) to outline the problem areas in which there are no existing resources for a solution, (4) to develop a plan of action designed to provide selection, (5) to report to their community from the Rural Development Planning Council, and (6) to submit to the

Council a list of fields of interest in their community and names of persons interested in these fields. The area representatives are supported by local planning groups.

Under the organization which has been outlined, the plan has developed from the assembly of facts, to plans and thence to action. The technical group or "task force" was supported in the County by the steering committee and extension personnel in the conduct of two main surveys to obtain basic data. The principle survey was an agriculture-human resources one. This study covered (1) community development needs, (2) education, (3) recreation, (4) occupations, (5) pattern of organizational participation, (6) activities and interests of teenagers, (7) plans of older people, (8) agriculture, (9) family life and levels of living and (10) Indian affairs. These data were obtained from a random sample of 620 Stevens families. The second questionnaire was obtained from all high school students at school on a specific day. This was really a youth activity survey to determine their interests and potential help in community development. Other research efforts included a series of surveys to determine the feasibility of establishing a junior college in Stevens County and a survey to determine the attractions to tourists in the county and accommodation available.

The results of these surveys are very impressive and have been extremely helpful to the steering committee and the Rural Development Planning Council in developing plans based on the wishes and needs of the people. Some of the results are (1) a need for community projects to be undertaken, particularly for the improvement of educational and recreational facilities, youth centers, roads, was evident, (2) many possibilities for new industries were identified, (3) a particular need was expressed for recreational organizations and facilities suited to the needs of teenagers and older people, (4) one of the main expressed recreational needs was the development of hunting and fishing facilities, (5) a large majority of adults and teenagers take no active part in the existing organizations which is attributed to ineffective leadership and unattractive programs, (6) about three-quarters of the full-time farms have unemployed labor resources but job opportunities are relatively poor in the area, (7) the level of living and educational status of the Indians on the Spokane Reservation is relatively low and it was felt that industries suited to their capacities and better housing facilities were their greatest needs.

Although the program of rural development has only been underway for two years, a number of projects have been undertaken. Some new wood processing plants have been established and some of the existing wood working plants have enlarged their operations and are finding new outlets. Two members of the delegation visited a new cedar fence post treatment plant, which was getting into production. The Rural Development Steering Committee had a hand in the establishment of a new livestock auction sales yard at Colville which started operations in May 1958. Plans are now underway for a slaughter yard in conjunction with the sales yard as well as a feed yard to improve the market ability of beef cattle. The Small Business Administration has helped operators of several small industries with their financial plans and problems. The steering committee has devoted a great deal of time and effort to publicity in the form of newspaper articles, radio broadcasts and so on, the prime reason of which is to inform the citizens of the purpose and concept of the rural development philosophy and plans of action. One of the outstanding efforts of this Committee was the holding of a Rural Resources Development Day in March 1958 which was attended by over 200 persons from all parts of the county. Discussion groups were organized around subjects pertaining to agriculture, community planning and roads, education and youth, new industry, lumbering, mining, tourist trade and recreation and tree farming.

One of the most important committees is the one on public policy. The scope of this committee includes rural zoning, taxation structure and distribution, town and country relations and border customs. It is of interest to note the personnel of this committee which includes a farm housewife, a member of a ladies organization, a grocer, a representative of the State Department of Public Assistance and the county assessor.

The program appears to be well organized in Stevens County and this is due in no small part to the help and assistance from the State Extension Service. The committees meet regularly. If they run into any particular difficulties the matters are referred to the steering committee. The steering committee now seem to be acting mainly as a sounding board. The committees are using the basic information obtained in the surveys to formulate long range plans.

Montana.—Rural Development in Montana is confined to the two intermountain counties of Lake and Ravalli. Assistance in a community development effort was applied for in 1957 and work started in that year. A rural development agent was assigned to each of these counties to work with all the governmental and other agencies that have responsibilities there. Their task was to motivate local human effort to overcome the particular handicaps and causes of low incomes.

Members of the delegation visited with rural development lay officials in Lake County and toured part of the area. This county includes most of the lower Flathead Valley south of Flathead Lake. Flathead Lake is a very popular resort area and to the north and east is Glacier National Park with excellent tourist attractions and facilities.

There are approximately 1,350 farms in this county, ten towns and a total population of about 12,500. The farms average 67 acres of cropland, a major part of which is irrigated. Fifty per cent of the farms have gross sales of less than \$2,500. Dairying is probably the major type of farming but sugar beets and wheat and beef cattle are also important.

There are many agricultural problems. Among others, these include seepage and alkali salts infiltration on irrigated land, soil fertility and management, noxious weeds and market outlets.

Off-farm employment opportunities within the county are limited especially during the late fall and winter months. Since there are few farms available for starting farmers nearly 80 per cent of the rural youth must find employment in other fields. This points to the need for additional vocational training in non-agricultural occupations.

One unique problem in this County is in connection with the Indians from the Flathead Reservation which covers about one-half of Lake County. The actual population is only about 1,500 but many living off the reservation have territorial rights. This affects the tax base structure since these lands are tax free.

There is a relatively large number of people of retirement age in Lake County and they generally do not have any basic interest in rural development since most of the improvements would affect their welfare through increased taxes.

The area extension agent classifies the problems of the area facing the rural development council into three categories, i.e. (1) inadequate resources, (2) poor use or underdevelopment of resources, and (3) passive or negative attitude on the part of many people.

In Montana there is a State Rural Development Committee composed of about 30 members. It is made up of representatives of federal and state departments and agencies and farm organizations and headed up by the Dean of Agriculture at the Montana State College. The duties of this committee are

similar to other state committees. At a recent meeting, however, it was suggested that the Committee might also assume responsibilities of (1) developing an understanding of the Rural Development Program among the people involved, and (2) study the opportunities for investment of capital in Western Montana business, industry and agriculture.

Some thought is being given to setting up a more formal and broader organization with provision for area councils and area consultants. It was the opinion of the Extension Service that a much better job could be done by co-ordinating any new program on this basis, especially any non-agricultural programs, than one organized on a county basis.

One observer¹ points out that the Rural Development Program was developed and oriented to conditions that exist in southeastern United States. There the main causes of low income are dense rural settlement, high birth rates, few outside jobs, topographic obstacles to the use of machinery, "overcrowding" of land, and an abundance of labor. But in the West, conditions are different. He lists the major causal forces here to be (1) high levels of risk and uncertainty, (2) settlement patterns in irrigation projects which caused farm sizes below that required for profitable farm operation under current economic conditions, (3) the great "indian" problem, and (4) the instability of the timber and mining industries causing periodic lengthy lay-offs. The first of these apply particularly to the Great Plains. In this section of the country the average income position of most farmers is not low but because of wide fluctuations in weather, crop yields and prices, variations in income are great. This observer sees little in the Rural Development Program which will provide needed security and stability to the Great Plains. The potential, however, is better in inter-mountain and mountain areas although distance to markets, isolation and small labor pools limit the opportunities.

In Lake County there is a 37 (original 17) member Development Council representing businessmen, bankers, farmers, ranchers, lumbering firms, women's affairs, the tribal council of Indians, and educationalists. The chairman is a rancher who formerly was a U.S.D.A. employee and agricultural professor in a Great Plains state college. There is an executive board of eight members from this Council whose function it is to seek out basic problem areas, to decide on the direction of their solution and to form special committees to work on the problems. This Board is really the policy-making and directorial group of the Council and the group concerned with the over-all philosophy of rural development at the community level.

It might be noted that federal departments and agencies are not represented on this County Development Council although assistance is provided through the working sub-committees. On account of this lack of representation and some misunderstanding, a lack of co-operation was noted in the case of Ravalli County but it now planned to organize agency heads as a technical advisory group.

One of the first tasks in Lake County was a Land Appraisal and Reclassification Program which was facilitated in conjunction with county officials and the State Board of Equalization through a series of public meetings. This work had to do with establishment of a uniform assessment system to obtain values based on the productivity capacity of land.

A survey committee was formed early by the Board to obtain economic and social facts of the County. This "Human Resources" survey was a sample survey of 825 families obtained on a random basis from the automobile license list. The survey was conducted with the assistance of 17 community organiza-

¹Rural Development Prospects in the West, Fischer, Dr. John L., Head, Agricultural Economics Department, Montana State College. A paper presented to the annual meeting. American Farm Economics Association, Cornell University, August 25, 1959.

tions. The results of this survey are not available (October 1959) but the area extension agent said that as a result of the interest generated by the survey, more assistance is being requested from government agencies.

Sub-committees of the County Council deal with agriculture, weeds, acreage limitation and tourism. The chairman of each committee is a member of the County Development Council and the rest of the Committee are selected at large on the basis of their interest. Some of the activities of the agricultural committee are (a) efforts to meet the demand of buyers for a uniform quality product through livestock marketing associations, (b) efforts to establish better drainage or irrigation projects, (c) improved farm management through an educational approach using selected farm tours, demonstrations, night classes and publication of an agricultural booklet on recommended practices and management. The long term goal is to make agricultural per capita income comparable with per capita income in other fields.

Weed control is difficult in irrigated areas, on Indian lands and on range and wildlife refuge lands. As a result of recommendations made by the committee, chemical spraying was stepped up particularly of irrigation ditch banks, country roadsides, emergency areas and other public lands. A lot of this was done by helicopter.

Since national legislation has raised by acreage limitation to ownership by one individual or irrigated lands in the Columbia Basin in Washington, a committee has been studying problems involved and have presented their case to the Department of Interior. This is basic to the establishment of a feasible economic unit of irrigated land and to improve rating for loans under the Farm Credit System.

Recreation potentials are very good in this County. The Committee has been working on ways and means to hold tourists in the area a little longer such as directed tours, developing the fishing and fish growth potential and a well planned publicity program. Another major part of the work is to train local people in the art of effectively serving tourists. The Rural Development Program has given extra enthusiasm to this Committee. Many other aids to the tourist trade are being investigated such as a plan to acquire public access areas on Flathead Lake.

The local Chamber of Commerce at Polson has been active in recent years trying to stimulate industrial development. The forest industries employ a large number of men. Probably the largest businesses are outside the county and draw labor from it. Recently some new smaller sawmills and a plywood finishing plant have been encouraged to move into Lake County.

Vocational agricultural training and home economic courses are taught in all the high schools but, outside of trade courses such as welding and motors, there is no vocational training to fit local people for skilled jobs in industry. The superintendent of the High School at St. Ignatius noted that the number of students taking the vocational agriculture course was dropping.

Since the formation of the County Development Council, the interests of the members have been broadened. They see the need of adding more committees as the need arises.

Maine.—Washington County in Maine was one of the first pilot counties designated under the Rural Development Program. It is also the only one in the New England States. On August 24, 1956 a State Rural Development Program Advisory Committee was designated and a provisional committee was set up in Washington County. This was formally reorganized in November 1958.

An evaluation of physical resources in the County shows a forestry, agricultural and fisheries complex of importance in the order named. The total area is about 1.68 million acres, 85 per cent of which is in woodland, eight per cent in lakes, four per cent in bogs and swamps and only three per cent in

cropland and pasture. In terms of annual productivity, the value of forest products harvested approximates five million dollars, the value of farm production about three million dollars, and fish and shell fish about two and one half million dollars. The tourist trade is worth about four million dollars annually.

The basic problems in the County are considered by the County Committee on Rural Development to be (1) low average farm and family income, (2) seasonal nature of employment, (3) low density of population and (4) low formal educational level and related problems of the people.

The State Rural Development Program Advisory Committee is headed by the Director of Extension. Members of the Committee include representatives of all the federal and state departments and agencies together with one farm organization (The Grange).

The County Committee is composed of four sub-committees which are (1) agriculture, (2) business and industry, (3) recreational development, and (4) human resources. There is also an executive committee. Altogether about 60 persons from all walks of life serve on these committees. Close working co-operation of agency personnel in the County is maintained although no formal agency advisory committee exists. All are considered to be ex-officio members of the County Rural Development Program Committee.

The extension services are well developed in Maine and in Washington County in particular. They have responsibility for education to all people in all lines of agriculture. Special emphasis is placed on certain lines such as blueberries, poultry, forestry, farm management, home economics and youth. In Washington County, the County Agent now devotes all his time to rural development and is supported by an assistant county agricultural agent, a home demonstration agent and a 4-H Club agent. In addition to the agricultural interests mentioned above, increased attention is being given to production of forest products, more manufacturing in general and of wood products in particular, greater development of recreational resources and improved educational facilities especially for vocations.

The federal departments and agencies have helped to promote rural development, especially the Soil Conservation Service, the Forest Service and the Farmers' Home Administration. Additional funds were allocated to provide additional technical assistance to low income farmers for farm planning work in soil and water conservation and to accelerate the soil survey work. Since the regular technical services now provided are considered to be adequate all the additional funds have been devoted to soil surveys. Additional staff has been provided by the Forest Service and a timber survey has been completed. Fertilizer demonstrations are being conducted to determine the effect on growth, color and density of Christmas trees. Landowners, the Maine Christmas Tree Association, College of Agriculture, Extension Service, Forest Service and a fertilizer company are co-operating in this work. The Farmers' Home Administration has made loans for demonstration sheep farms on the basis of a specific management plan supervised by the Extension Service. The regional office of Agricultural Stabilization and Conservation administers, through local farmer committees, federal programs involving subsidy payments for wool, and potato diversion in addition to programs for conservation practices, land rental, and special bid features of the soil bank. Publicity has been given to the Conservation Reserve part of the Soil Bank but due to the relatively small cropland acreages on most farms this program has not proven very attractive.

One of the first efforts of the County Committee was the assembling of a Resources Inventory report. About 100 people worked on this study for about two years. It created wide interest and better understanding between different elements of society. It has been used as the basis for rural development activities and to inform local people of their resources.

The Agricultural Committee has encouraged the development of a sheep enterprise on a number of small farms. This has been stimulated by the importation of mid-western wool type ewes to be crossed with native mutton-type rams. There are nine farms serving as demonstrations and four additional flocks sponsored through 4-H Club work. Associated with this work has been the organization among growers of lamb and wool pools.

Contract or integrated farming in the poultry industry has developed rapidly in Maine and at present it is considered to be a million dollar industry. There has been a gradual shift from the production of hatching eggs to market eggs. The delegation inspected one of the many egg laying plants at Lubec.

The county rural development committee arranged for consultation services by an extension economist for a group of older farmers. Benefits of Social Security, the Soil Bank and other programs were explained, which facilitate gradual transfer arrangements of their farms and changes in farm operations commensurate with advancing age.

The delegation had the opportunity to see a couple of new hardwood sawmills at Waite and Princeton which were established through the combined efforts of large timberland owners, local town officials and the Rural Development Program forestry sub-committee. This type of development has provided additional employment, enabled satisfactory utilization of low grade hardwoods unsuitable for pulp or saw lumber and resulted in the development of markets for hardwood. It has also helped to establish better public relations with the large timberland owners.

The delegation met with officials of a large pulpwood company at Calais. One of the accomplishments cited as a result of rural development, was that this year, for the first time, hunters were allowed on their holdings. As a condition of entry, they were asked to supply data pertaining to kind of game obtained and other matters.

Blueberry production is a major industry in this part of Maine. Two large canning companies have extensive holdings of "blueberry" land. There are also many so-called blueberry farmers having holdings of 40 acres or more. The delegation visited the Blueberry Hill Station near Machias which is the principal research body of the Maine Agricultural Experiment Station in Washington County. Weed, insect and disease control research is conducted there and is financed in part by a four and a half cent per bushel tax paid by the growers. Other research is done on freezing facilities, improvement of quality and uniformity of product through selection and breeding, mechanical harvesting, and high bush production possibilities.

The recreational development committee is very active. It recognizes that recreational advantages found in the area are one of the most important and essential ingredients of a broad over-all development program. A good example of a co-ordinated effort to bring about positive action was the proposal to provide lake and sea shore access and to develop boat landings. A suggestion was made by the Rural Development Program Recreational Sub-Committee to town managers, town selectmen and others urging action at town meetings. This proposal and other steps stimulated the acquisition and development of rights-of-ways and the building of boat landings at a number of points. This enables the local people and tourists to use these resources. The delegation visited the access site on Boyden Lake. The Grange local at Robbinston assisted with this project.

The sub-committee published a list of charter boats available for salt water sports fishing and are looking into the development of more picnic, camping and tenting sites. In all these activities the sub-committee has worked with many bodies including the principal woodland owners, commissioners of Forestry, Inland Fisheries and Game, and Sea and Shore Fisheries.

A major project spearheaded by the Recreational Development Committee has been the preparation of a film illustrating the scenic and recreational

advantages and development possibilities. By doing this, the Committee hopes for the immediate attraction of tourists, campers and sportsmen to the area as well as local residents. The actual process connected with the preliminaries to the filming was the educational value to local people. In this work, co-operation was obtained from many diverse groups including the Washington County Chamber of Commerce, the Board of Commissioners, the Atlantic Salmon Commission, the local press and a number of local commercial firms.

A number of youth and educational programs have been carried out along with the regular 4-H Club activities. Through the County Schoolmen's Association the annual survey of all high school graduates and high school leaders was conducted. This is intended to provide information for curriculum changes, to hold students in high school longer, and to encourage more persons to seek education beyond high school. It serves to determine reasons for leaving school and the choice of subsequent occupations. A full-time recreational guidance counsellor has been employed at Machias. Also some students are receiving on-the-job experience as part of the regular vocational school course under provisions of the Defence Education Act.

The Rural Development Program Committee does not have any projects for guiding rural people into off-farm work or in upgrading skills through job training. They recognize, however, the importance of industrial development and employment opportunities. The Naval Radio Station at Culver employs about 400 local people and is benefitting local business. The studies on the feasibility of the proposed joint United States and Canada Passamaquoddy tidal power project are being watched with keen interest as many benefits are envisaged to all sectors of the economy in the area.

CHAPTER VII

Summary and Appraisal

Summary.—The Rural Development Program in the United States is a new approach to the problem of how to improve the conditions of life and work of low-income families in many rural communities. It does not relate particularly to commodity affairs but to the tenacious social and economic problems of a large segment of the rural population in need of help. It does not concern the affairs and problems of commercial farmers but with the development of economic and human elements in areas of limited basic resources and industrialization. These areas have been on the periphery of the general economy in recent years which has been dominated by rapid formation of capital, expanding and industry and commercial agriculture, increased productivity of labor, rising incomes and levels of living.

The philosophy of the Rural Development Program relates to the development of resources for the welfare of local citizens. In the final analysis, it is felt that the development of human resources and solution of human problems is the main concern of the whole economic performance and normal growth of the nation. It is this view which guided the formative period of the Rural Development Program. The Program is distinguished by its method of harnessing the initiative, the spirit, and the abilities of individuals, and communities in their own interest by advice and help from all participating, federal, state and local agencies.

The range of activities under the Rural Development Program has been quite extensive and since there is no standing arrangement for all areas, a clear cut summary is difficult to make. The annual reports provide an extensive list of accomplishments of the Program. It is possible to summarize on the basis of broad fields. These are agriculture, forestry, industry and labor, tourism and recreation, education, and public problems and leadership.

In agriculture, a number of general financial and technical assistance programs have been carried forward in the pilot counties. These programs have been outlined elsewhere in this report. They are mainly the regular government assistance programs applied to American agriculture. They focus on ways to increase income to permit better levels of living. Opportunities in farming are limited in most of the pilot counties. Under the conditions found in low income areas, it is recognized that agricultural programs alone cannot solve the basic problems. National leaders in the Rural Development Program have cautioned against failure to recognize possible areas of development outside of agriculture.

Efforts to increase income from agriculture in the pilot counties can be grouped under (a) intensification, (b) improved techniques, better land use and conservation, (c) use of credit and better management, (d) enlargement of the farm unit and (e) part-time farming.

Intensification can improve the productive capacity through higher yields; shift to higher value crops and animal products; intensive-type crops such as vegetables, seeds, new specialty crops; the use of fertilizer; and finish feeding of animals for market. The extent and success of many of these depends largely on factors outside the farm such as location, transportation, markets and the establishment of local processing plants. Some examples of local production developments associated with the Rural Development Program which the delegation noted were, expansion of broiler and market egg production, production of Grade A milk for local fluid use, a feeder pig enterprise, development of specialized sheep and beef cattle enterprises, commercial vegetable and small fruit production. Improvements in marketing were found in Kentucky and Minnesota with respect to sale facilities for feeder pigs, in Washington and Montana with respect to sale facilities for cattle and the organization of lamb and wool pools in Maine.

Improvement in farm practices and land use have been encouraged by technical services available through the co-operative extension service and through approved financial assistance under the Agricultural Conservation Program Service, the Conservation Reserve of the Soil Bank and the Soil Conservation Service. Evidence of activity may be cited for all the states visited by the delegation. This applies also with regard to projects on soil and water conservation. Some progress towards a more appropriate use of poorer grades of abandoned cropland and rough waste land for grazing by beef cattle on part-time farms was found in parts of Michigan.

Some special help to low income farmers to obtain more credit to accomplish desirable changes on the farm was noted through the offices of the Farmers' Home Administration. Probably the most direct benefit, however, from the F.H.A., as well as the Farm Credit Administration, was the advice offered on credit management and the educational value to farmers in appraising the likelihood of success of contemplated changes.

Projects to improve forests and farm woodlots through approved management practices are common in the pilot counties since most of these counties are found in wooded regions of the country. These can qualify for financial assistance under ACP cost sharing. The delegation noted that reforestation through transplants and seedlings is proceeding in parts of the northern Lake States as fast as planting stocks are available. Increased technical help from more federal and state foresters as well as financial help under ACP has probably pushed this movement faster in the pilot counties than elsewhere. Farmers are more and more learning to use selective harvesting practices of the forest. Low grade hardwoods, which are now found on once heavily timbered or cut-over areas, are finding ready acceptance in the market. This has been possible because of improved wood manufacturing processes.

When all is done that can be done within agriculture, the low-income farm problem remains essentially one of underemployment and thus a large part of the solution has to be found in non-farm employment. This trend is increasing in these areas and many farmers and members of their families are taking non-farm jobs to supplement their farming income.

The attention of the delegation was drawn frequently to the development of off-farm industries and employment opportunities as a feature of the Program. The enthusiasm and hope of rural development committee members at Morgantown in Kentucky about new stores and businesses and business activity in general; the increased attention to manufacture of raw forest products and expansion of new product lines, utilization of wood products and waste, and basket making in pilot counties in Wisconsin and Minnesota; development of a \$400,000 cedar fence post business and a potato flake plant in Michigan; establishment of new wood processing plants and enlargement of existing wood working plants in Washington State; and new hardwood plants in Washington County in Maine, were examples that the delegation observed. The 1959 annual report of the Program points to the development of 8,000 new job openings in 52 Rural Development counties. The contribution of local businessmen and farmers in chambers of commerce or rural development sub-committees has been a stimulus to the establishment of these off-farm industries and employment in the pilot counties.

The physical characteristics of many low income areas in the United States provide pleasant surroundings for recreation and development of the tourist trade. These include among others, lakes suited to boating, fishing and swimming, sea shores offering similar benefits, forests providing suitable habitat for wildlife and hunting, and rough terrain for hiking and skiing. Projects by rural development committees for tourist development rate high on the list of activities. A wide range of things have been done in the pilot counties including the development of the tourist trade through improvement and upgrading of facilities and services, business promotion by publicity and extension of the tourist season, holding of training schools or resort recreational institutes, assistance to motel and resort operators with regard to building and layout design, development of parks, picnic grounds, flowages and lake and seashore access areas for boat landings and other public use. Because of the trend toward increased time for leisure, developments in the recreation and tourist field hold great promise as a source of income in the appropriate areas.

Education has been highlighted under the Rural Development Program. When local people attain full and accurate knowledge of their situation and the need for action they are in a better position to apply programs of resource development. This is the reason that leaders insist on research, basic inventories of resource, adult education, vocational training for agricultural and non-agricultural jobs, demonstrations and other kinds of educational approaches at the local level. The organization of local people in particular interest group committees and the processes followed through rural development help to train them for self-appraisal and action.

The stress on education relates to programs aimed at rural youth through formal training, encouragement to stay in school for longer periods and 'continuing' education at the adult level. It also carries over into the fields of career training, job guidance and placement. In one case, the delegation was informed about consultation services provided through the Extension Service for older farmers. In this case benefits of Social Security, the Soil Bank and other programs were explained to facilitate a gradual transfer of their farms and change in farm operations commensurate with advancing age.

The Family Farm Subcommittee, House of Representatives, 84th Congress¹ has pointed out that two or three out of four rural youngsters are destined to settle in urban and industrial employment and that the vocational education at rural schools should definitely embrace elementary training in urban pursuits. Since areas of low income and especially areas of small farms are the source of the main stream of youth migration to urban employment, the need particularly applies here.

One of the pressing problems in low income areas is the need for local people with leadership ability. This ties in closely with educational levels. In at least one county the delegation was informed about the holding of leadership schools to help people develop leadership skills in communications and group dynamics.

Rural Development Committees are also concerned with a host of public problems. These have increased because of needed adjustments in community affairs and the migration and movement of many persons out of agricultural pursuits. There are at least three broad categories under which the public problems might be grouped. These are community services, roads and communications; zoning and orderly development; and country-town relations.

Projects of the first categories noted by the delegation ranged from watershed development, community health centers and social centers to simple short-term projects such as a clean-up paint-up campaign in Kentucky, and the preparation of a county map showing land ownership, roads and location of trout streams in Luce County, Michigan. An example of a community agricultural project in this category was the chemical spraying for weeds on irrigation ditch banks, roadsides and public lands in Lake County, Montana. Projects with respect to zoning and orderly development in Michigan exemplify the kind of problems which arise with changes in communities. These cases concern building restrictions in rural fringe areas adjacent to the city of Escanaba and zoning restrictions re motels and developments along relocated highways at St. Ignace. The establishment of a health center; the revival of a county fair; the development of a site for fairgrounds, recreation center and park; the observance of a Farm-City Week; and a number of other community ventures at Morgantown in Butler County, Kentucky are examples of needed country-town relations projects in low income areas.

Appraisal.—The Rural Development Program was launched in 1955 but it was about two years before headway was made in a number of the States. No project has been in operation for more than a few years and many are really only getting underway. It is, therefore, too early to draw final conclusions on the success of the program. Nevertheless, some very encouraging results have been attained and more seem likely to follow.

It is important to keep in mind that the Rural Development Program is not a federal program to pump money into the local economy, nor is it conceived as a 'program' in the ordinary sense of the word. No special administration has been established to deal with it. The Rural Development Program should be viewed as a process or method through which local people mobilize and develop physical and human resources with the assistance of existing federal and state bodies.

An appraisal of what is taking place must recognize three main avenues of approach: first, that economic and social betterment in low income areas is being sought by emphasis on total area development; secondly, the services of government departments and agencies have been redirected, refashioned and focussed on the rural development program; and thirdly, that economic development in problem areas is based on the team effort of local people and forces.

¹ MAJOR ADDRESSES PRESENTED AT RURAL DEVELOPMENT WORKSHOP, page 15, Jackson's Mill State 4-H Camp, West Virginia, May 11-15, 1959.

Emphasis on total area development.—In the first area the concept of rural development goes much beyond the traditional framework of agricultural policies, programs and extension activities. While it uses the long range county program planning technique employed by extension personnel (i.e. "Program Projection"), it extends to non-farm as well as farm people and to non-agricultural as well as agricultural resources. It is broader than "Farm and Home Development", which relates more specifically to the improved operation of the farm and the farm home, and relates as well to developments outside agriculture. The concept of rural development recognizes that differences in income from agriculture in and among areas are primarily the result of differences in total economic development. It follows then that solutions should be sought outside as well as within the scope of agricultural policies.

The main reason for attempting a Rural Development Program lies in the general condition of excess or underemployed labor in many problem areas and the resultant conditions of poverty and suffering. This was first highlighted by the report of the special federal government task force "Development of Agriculture's Human Resources" and corroborated by many other research studies. Provision for greater opportunity through the development of local industries and non-farm occupations is, therefore, a major goal of rural development committees. Associated with this is the emphasis on non-agricultural vocational training and upgrading of skills; improvements in employment guidance, counselling and job placement; and efforts to overcome obstacles faced by people who wish to make the transition from farm to non-farm work.

The increase in productivity in agriculture resulting from technological and scientific advances has enabled greater output per worker. But this has increased the disadvantage of those not in a position to make use of these advances. Increased federal help through various agricultural programs for this group in particular is made more effective when directed through the united efforts of federal, state and area committees under the Rural Development Program. It has been found that programs for economic improvement can be put into effect far more quickly and beneficially in organized rural committees.

Some changes have been made by legislation and administrative procedure to facilitate attention to low income farmers. These changes, among others, relate particularly to additional loan funds and changes in the Farmers Home Administration to permit a loaning to low income farm families with off-farm employment; focussing of attention on the Conservation Reserve of the Soil Bank; and increased emphasis on recommended conservation practices under the Agricultural Conservation Program.

Since much of the work of the Committees has to do with non-agricultural activities such as promotion and development of existing and new industries, employment, the tourist trade and recreation, health and education, it is understandable that the recent trend of organizational effort at the local level has been towards a multi-county or area basis (probably four to six counties) rather than a county or single community basis. As the scope of the Program expands, from simple projects through which local committees can attain short-term results to larger projects which have broader benefits, the breadth of group participating has usually developed on an area or regional basis.

The delegation was impressed by the desire of the members of county and area committees to view their activities as being in the field of resource development. In that regard most of them mentioned a desire to name their committees and the program as "resource development" rather than "rural development". It was felt this denoted a fuller scope of activities to include farm-city relations, participation of all groups and people in a community and the development and utilization of other resources as well as agriculture. It indicated some degree of maturity of the economy and industrialization in areas by-passed to date.

The various kinds of committees set up in communities, counties and in areas indicate the need and extent of effort which has been put forth under the Rural Development Program. It has been pointed out that these are not set or standard but relate to specific problems and problem areas which have been determined by local people based on basic inventories and research.

Redirection and refashioning of government services.—From the viewpoint of promoting resource development and the betterment of human welfare in disadvantaged areas of the United States, the Rural Development Program is becoming an important way for the government to carry out the whole gamut of financial and technical assistance programs. This refers to programs of all departments and agencies of the federal government. The delegation was impressed with the eagerness and co-operative spirit of the representatives of government departments and agencies in Washington and at the state level in directing their policies and programs through the Rural Development Program to the people. Problems of low income farm areas are now regarded as very important public policy matters.

The foundation of the Program is based on research, education and community action and in these the role of the federal and State Governments is to help the people to help themselves. The way that the government helps in problem solving is not stereotyped in all areas. It is tailored to specific circumstances as well as to the particular desire of people in local areas so that they are able to help themselves with minimum assistance from other people and the government. This is a logical and sensible approach to problem solving.

While there are a wide range of government programs of financial and technical assistance for rural and urban-rural areas it was fully admitted to the delegation that these have not always been effectively oriented, co-ordinated and carried out in the past for the benefit of people in low income situations.

The application of government assistance to low income areas is more effective now than it was before the inception of the Rural Development Program. Programs for economic and social improvement can be put into effect more quickly by organized rural committees. This is a precise role of the Rural Development Program. The delegation noted that at least one or more federal departments or agencies rendered appropriate support to local development projects in each State according to the needs expressed by the people.

Much of the success in the pilot counties must be attributed to co-ordination of effort and co-operation between agencies and organizations at the federal and state levels. Federal groups are specifically directed to associate themselves with early planning and to clarify their organizational set-up and lines of communication. From an administrative angle this has been one of the biggest benefit of the Rural Development Program. At the same time, the county and area committees have helped to maximize the federal services which are available. They also serve as a means to evaluate and test the federal services so that they can be changed, supplemented or replaced to better serve the real needs of low income farmers.

The delegation is inclined to the opinion that the Rural Development Program is most applicable to low income areas where farms are too small, the soil is relatively poor or impoverished, where topography and drainage is unfavorable and where these and other factors have resulted in an overabundance of labor and substantial underemployment. It has not expanded very rapidly into areas, such as the Great Plains, where the major problems of agriculture are those of risk and uncertainty. Exceptions to this conclusion might be sections of the Great Plains where arable farming is attempted on lands unsuited to this purpose. Programs of a re-settlement and rehabilitation character and found in the latter area as well as other measures such as crop insurance, supervised credit and research relative to an adequate farm unit for areas fit for settlement.

Reference has been made to a modest amount of increased financial assistance which the federal government has directed through the Rural Development Program. Most of this is available through such agencies as the Farmers' Home Administration and the Small Business Administration which provide, among other services, credit when it cannot be obtained through the regular channels. There are many other sources of financial assistance for agriculture, forestry, industry, recreation, research and the like. The financial assistance available through the Agricultural Conservation Program Service, the Soil Conservation Service and the Conservation Reserve of the Soil Bank encourages and promotes better land use and conservation, improvement in the income producing ability of those lands remaining in agriculture and the appropriate change in land use. Such financial assistance is also a valuable aid to the low income, part-time and older farm operators in easing the transition and transfer to full time non-agricultural employment. Social security for farmers in conjunction with the conservation reserve of the Soil Bank has been especially beneficial to older farm people.

The Rural Development Program has permitted a side benefit to the federal-state co-operative extension service. The organization of state, county and area committees has strengthened and broadened the fields of extension. A great deal of needed help from non-agricultural segments of the population has been funnelled toward the solution of the low income farm problem. This is particularly worthwhile at this time of significant rural adjustment.

The existence of a federal-state co-operative extension service has been a means of bringing all the financial and technical services of government to the people. The importance of this fact cannot be stressed too much. This joint participation has greatly facilitated the application of the Rural Development Program.

Under the Rural Development Program it has been possible to extend educational and technical assistance to rural communities beyond the traditional agricultural, youth and home economics fields. These services are now focussed on a larger section of the people and serve the wider needs of other interests and development problems of the community. The placing of additional personnel in rural development counties and communities has allowed the expansion of this service to non-agricultural fields and the motivation of local effort through the rural development committees.

The Program has been strengthened and clarified by an increasing amount of research on many problems relating to low income areas. The special task force set up at the request of the President set the stage in this regard. It pinpointed the severe, intermediate and moderate problem counties of the Nation on the basis of the criteria of farm income, level of living and farm production. This research brought into sharp focus the magnitude and complexity of the problem and stimulated awareness in the individual States. The amount of federal research has been increased by a number of agencies. This is a very real step and new knowledge is being brought to light all the time. The initial work in pilot counties and areas has been to inventory the resources and to determine the real situation. In this phase the local people have been strongly supported by all the appropriate federal research agencies, the land-grant colleges, the agricultural experiment stations and the universities. New basic data have been assembled, analyzed and used for action projects.

Team effort of local people.—One of the basic tenets of the Rural Development Program is the belief that local people can do things to help themselves if they are provided with motivation, leadership and financial aid. This has been accomplished through the mobilization of local citizen groups under the guidance of the federal-state extension service and many community minded

leaders. It was of interest to the delegation to learn about the large number and varied kinds of projects that local leaders and committees had put into operation and were considering for future action.

A principal advantage of the Program, which utilizes the team effort of all local interested people, is the harmonization of the needs with the capacities of the people and other resources. The fact that the members of the local committees have a personal interest in bringing about improvements in the economic and social structure of the area is the real key to success. Local lay people must be involved in all phases of program execution. This creates wider interests and better understanding between the different elements of society.

The real problem is to stimulate imaginative and critical thinking on the part of the local people so they are able to see the potentials and opportunities and the need for action.

The main strength comes from the combined efforts of farm people, business and civic leaders and representatives of agencies and organization working together as a team. Through various sub-committees all the local people, both in the towns and the country, are brought closer together to solve common problems. This is a town-country approach and sectional interests are lost in the common good.

Some indication of the need for focussing on local effort in the development and direction of projects was noted by the delegation in at least two different states. Where the line of direction was from the federal or state authority down to the local level, projects failed because of lack of local interest and support. The delegation found a strong feeling that the organization and direction remain in the hands of local people but the stimulus and motivation, especially in the early states, should come from state and federal bodies through the co-operative extension service.

An important part of the Program rests in the hands of non-governmental national and regional organizations and private industry groups. They can provide essential information and counsel in their particular fields of interest and competency. Since industry benefits in the development of the resources of an area, the rural development committees have generally found business firms ready and willing to provide certain services and financial aid.

As a result of careful study of the Rural Development Program, involving discussions with federal government personnel at Washington and representatives in seven different States; state agricultural and extension leaders; members of rural development committees and others; the delegation concludes that the Program is making a constructive contribution towards improvement of living conditions in depressed low income rural areas. It has not added anything new but has stimulated the thinking of people to make effective use of resources.

Conclusion.—In the pilot counties and areas of the seven States visited, the delegation saw many projects that owe their origin to the Rural Development Program. These included a variety of activities in the agricultural field representing both production and marketing. They also included projects in the forestry and recreational fields; and a number of industrial developments concerned with processing and manufacturing. There was evidence of improvements in farm and family living; of the creation of job opportunities; of the expansion of investment and a widening of the taxation base with consequent improvement of social services and well-being. The delegation also was made aware of a substantial amount of educational effort including vocational training, consultation and guidance. Some of this was designed to assist people to prepare for the adjustment to non-farm occupations.

The delegation was informed of the research efforts that laid the foundation for much of the subsequent development. Much evidence of community effort,

enthusiasm and drive to get things done was noted. The tying together and co-ordination of effort at all levels that dominates the program was observed. This has been attained within a somewhat loose but still rather precise conceptual framework of the Rural Development Program.

There was evident recognition that in certain areas the small farm problem was part and parcel of a much broader problem—one that concerns many people and many interests, both rural and urban. In some instances the solution to the problem involved an attack on several fronts with the result that the program became a comprehensive and co-ordinated community or area undertaking. In the pilot counties the concept of the complete interdependence of the rural and urban population has been established in the minds of the people. The realization that the welfare of one segment was dependent on the welfare of all other segments has made for a rational and objective approach to the problems.

The delegation noted the efforts to co-ordinate the whole range of programs of government departments and agencies and to direct their attention to the improved welfare of the people which is the final goal. The enthusiasm of government departments and agencies to co-operate and the drive which they are putting into the program was apparent at all levels. The fundamental help given to rural development committees is done in such a way as to ensure objective evaluation and decision making by the people concerned which stimulates the development of local improvement projects.

Elsewhere in this report (Appendix C) there is set forth an historical account of federal-state relationships in education, research and extension that have developed over the years in the United States. These have involved extensive contributions from the federal treasury to state and county governments for various activities. This has led to a marked degree of interdependence and has conditioned workers in the state and county services and people in rural communities to expect and accept federal assistance. It has probably made the introduction of the Rural Development Program easier than otherwise would have been the case. The relationships developed contrast with the system of divisions of fields of responsibility and more or less ad hoc arrangements under which these matters are dealt with in Canada.

The delegation is aware, of course, that what we saw is not the inherent and exclusive product of the Rural Development Program. Much was already being done at all levels of government and in communities throughout the nation. What the Rural Development Program appears to have done is to give a new impetus and urgency to the problem and to its solution. It has galvanized institutions and people into action and has helped to mobilize human and other resources.

APPENDIX A

*Itinerary and General Program of the Delegation
September 15 to October 20, 1959*

*Washington, D.C.**September 15*

Met with Federal Extension Service officials and conferred with True D. Morse, Under Secretary of Agriculture. Conference with Agency representatives of the United States Department of Agriculture.

September 16

Conference with representatives of other Government Departments.

*Kentucky**September 17*

Met with Dean F. J. Welch, University of Kentucky, Director of Extension Service, and staff members of the Agricultural Economics, Agronomy and Soils Science Departments at Lexington. Conferred with Agricultural Stabilization and Conservation, and Soil Conservation Service officials. Travelled to Bowling Green trade area with Chas. Dixon, Co-ordinator of Special Extension Programs, who accompanied the delegation for whole Kentucky tour. Attended regular county committee meeting in evening.

September 18

Conferred with Wilson Hourigan, area extension agent and group of county extension agents at Bowling Green. Also conferred with A. Warren, county extension agent for Logan county, several members of County Rural Development Committee and some federal agency representatives at Auburn. Observed project developments in Butler County and met with George M. Nelson Jr., Associate County agricultural extension agent and others at Morgantown.

September 19

Viewed the agricultural exhibits at Louisville State Fair. Met with Dr. E. J. Nesius, Assistant Director of Extension at Lexington.

*Wisconsin**September 21*

Conferred with H. L. Algren, Associate Director of Extension Services and several University of Wisconsin staff members at Madison. Travelled to Price County with Milo V. Johansen, Agricultural Agent. Visited Agricultural Experimental Station at Marshfields.

September 22

Conferred with Mr. Geo. Wright, Area Supervisor. Visited lake front development (Solberg Dam) and Cranberry Lake Development Company operations. Travelled from Phillips (Price County) to Hayward (Sawyer County) with Sherman Weiss, County Agent, Calls at Flambeau River State Forest, Broiler poultry plant and noted tourist developments along the Muskie Trail and Chippewa Lake area.

September 23

Conferred with Sherman Weiss, County Agent. Visited small sawmill, plywood factory, shavings baling operation, observed christmas tree bundle shaper and reforestation work. Travelled to Minneapolis with Sherman Weiss.

*Minnesota**September 24*

Travelled from Minneapolis to Carlton County with Ed. Becker, area agent. Conferred with County Committee members at Moose Lake. At farm of Geo. Oraskovich noted success of approved farm practices, met with group of county agents from Northern Minnesota in evening.

September 25

Drove to North Central Agricultural and Experiment Station at Grand Rapids with Ed. Becker. Visited Cole Forest Products Plant which utilizes aspen and other hardwoods. Conferred with Joel Nyquist, cabin operator on Deer Lake. Met with Geo Saksa, area extension agent and government agency representatives in evening.

September 26

Travelled from Grand Rapids to Marquette via Duluth.

*Michigan**September 27*

Travelled from Marquette to Escanaba (Delta County) with Dan W. Sturt, Upper Peninsula Extension Director. Conferred with J. L. Heirman, County Extension Director.

September 28

Met with Marquette County Extension staff. Later conferred with group of subject matter specialists at Extension Center of Michigan State University. Conferred with John Compana, Alger County Extension Director at Munising.

September 29

Conferred with Ray Gummerson, Luce County Extension Director at Newberry. Toured part of county. Travelled to Mackinac County. Conferred with W. Muller, County Extension Director.

*Washington State**October 6*

Conferred with Dr. J. E. Kraus, Dean and Director of State Extension Service, College of Agriculture, Moscow, Idaho enroute to Pullman. Conferred with Dr. L. L. Madsen, Director, Institute of Agricultural Sciences, Washington State University at Pullman; Mr. Henry Wolfe, one of three Area superintendents, State Extension Service; and Les. Liebel, Stevens county extension agent. Travelled to Stevens County in evening.

October 7

Conferred in Extension office of Stevens County with Les. Liebel and J. Maxwell, county extension agents. Toured part of county—visited wood processing plant, egg laying plant, cedar post treatment plant, historic sites on Columbia river in Lake Roosevelt area and talked with tourist and cabin operators. Travelled to Sandpoint, Idaho in evening.

*Montana**October 8*

Conferred with Mr. Stuart Fitschen, Superintendent of High School at St. Ignatius and Mr. Glen Vergeront, farmers at Polson, vice-president and president, respectively, Lake County Development Council. Toured Flathead Lake motel and resort area.

Maine

October 19

Visited University of Maine and conferred with members of Agricultural Economics Department. Conferred with Dr. G. E. Lord, Director of State Extension Service, E. H. Bates, Extension Program Specialist and L. Rozelle, County Agent.

October 20

Toured part of Washington County, with above officials, visited hardwood processing plants at White and Princeton, conferred with officials of Eastern Pulpwood Company at Calais. Observed a public landing or access site on Boyden Lake and inspected a large egg laying plant at Lubec. Conferred with several members of Rural Development Committee at Machias at an evening session.

APPENDIX B

Public Law 360—84th Congress

Chapter 798—1st Session

S. 2098

AN ACT

To amend Public Law 83, Eighty-third Congress

Smith-Lever Act amendments. 38 Stat. 372. 7 USC 341-343, 344-348. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Smith-Lever Act, as amended (7 U.S.C. 341 and the following, supp. 1), is further amended as follows:

(a) By adding a new section, following section 7, to read as follows:

“SEC. 8 (a) The Congress finds that there exists special circumstances in certain agricultural areas which cause such areas to be at a disadvantage insofar as agricultural development is concerned, which circumstances include the following: (1) There is concentration of farm families on farms either too small or too unproductive or both; (2) such farm operators because of limited productivity are unable to make adjustments and investments required to establish profitable operations; (3) the productive capacity of the existing farm unit does not permit profitable employment of available labor; (4) because of limited resources, many of these farm families are not able to make full use of current extension programs designed for families operating economic units nor are extension facilities adequate to provide the assistance needed to produce desirable results.

Appropriation

“(b) In order to further the purposes of section 2 in such areas and to encourage complementary development essential to the welfare of such areas, there are hereby authorized to be appropriated such sums as the Congress from time to time shall determine to be necessary for payments to the States, Alaska, Hawaii, and Puerto Rico on the basis of special needs in such areas as determined by the Secretary of Agriculture.

Assistance. 69 Stat. 683. 69 Stat. 684

“(c) In determining that the area has such special need, the Secretary shall find that it has a substantial *number of disadvantaged farms* or farm families for one or more of the reasons heretofore enumerated. The Secretary

shall make provisions for the assistance to be extended to include one or more of the following: (1) Intensive on-the-farm educational assistance to the farm family in appraising and resolving its problems; (2) assistance and counseling to local groups in appraising resources for capability of improvement in agriculture or introduction of industry designed to supplement farm income, (3) co-operation with other agencies and groups in furnishing all possible information as to existing employment opportunities, particularly to farm families having underemployed workers; and (4) in cases where the farm family, after analysis of its opportunities and existing resources, finds it advisable to seek a new farming venture, the providing of information, advice, and counsel in connection with making such change.

Allocation of funds.

"(d) No more than 10 per centum of the sums available under this section shall be allotted to any one State. The Secretary shall use project proposals and plans of work submitted by the State Extension directors as a basis for determining the allocation of funds appropriated pursuant to this section.

"(e) Sums appropriated pursuant to this section shall be in addition to, and not in substitution for, appropriations otherwise available under this Act. The amounts authorized to be appropriated pursuant to this section shall not exceed a sum in any year equal to 10 per centum of sums otherwise appropriated pursuant to this Act."

(b) By renumbering section 8 to read section 9.

Approved August 11, 1955.

APPENDIX C

Federal and State Relationships in Agricultural Education, Research and Extension

The United States Department of Agriculture was created by Act of Congress on May 15, 1862. During the first 27 years it was administered by a Commissioner of Agriculture. By Act of February 9, 1889 the powers and duties of the Department were enlarged. It was made the eighth executive department in the Federal Government and the head was designated as the Secretary of Agriculture. The department was directed by law "to acquire and diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of that word, and to procure, propagate and distribute among the people new and valuable seeds and plants."

Prior to the creation of the Department of Agriculture assistance to farmers was provided. One of the things stressed was the distribution of seeds and plants. Another early activity was the collection of statistics. Since the formation of the department the major efforts have been directed towards the adoption of new and improved technology, the main focus being on productivity and technical efficiency. In more recent years programs have been directed at the farm family and their welfare.

A recent publication¹ refers to the evolution of assistance to farmers over the years in the following words:—

"Government aid to agriculture was to progress from the increase to the regulation of production; from subsistence to commercial agriculture;

¹ Some Landmarks of Department of Agriculture History, U.S.D.A. Document no. 8, June 1958. Page 4.

from self-reliance to considerable dependence on guidance by the government; from the exploitation to the conservation of natural resources; from traditional guess work to the application of practical scientific knowledge; from unco-ordinated individual activity to well co-ordinated group action through governmental aid, using the democratic process.

Every successive new function undertaken by the Department of Agriculture will be found in an act of Congress. Hence the expression "The Department of Agriculture did so and so" could be interpreted as an abbreviated way of saying: "The Department of Agriculture responding to public demand through the execution of work directed by an appropriate act of Congress authorizing this activity, did so and so."

The educational, research and extension programs of the Department have been greatly enhanced by the methods developed to reach the people. The creation of federal-state programs is considered by some to be the significant key to agricultural productivity and the great capacity of American agriculture to produce.

The same year that the United States Department of Agriculture was created (1862) steps were taken through the Morrill Act to provide for land-grant colleges in individual States. This was a means of making technical and general education available at the college level for young people contemplating careers in agriculture and the mechanic arts. An amount of public domain land was assigned to each state on the basis of 30,000 acres for each senator and representative in Congress. The proceeds from the sale of these lands provided the early support of a college of agriculture and mechanic arts. The income from these endowment funds was supplemented by continuing annual appropriations of federal funds under a series of later acts, i.e. (a) the Second Morrill Act (1890); (b) the Nelson Amendment (1907); (c) the Bankhead Jones Act (1935); and by large contributions from the state and territorial governments. The federal support of the land-grant colleges in 1953¹ was about five million dollars, which is over and above the income derived from the original land grants. Most of the support at the present time, however, comes from state appropriations and private sources.

The federal action which was taken provided the stimulus for the creation of the land-grant colleges and universities. It placed the emphasis on scientific and professional training and instruction rather than on the classical types of education, which had been maintained in the older colleges and universities. The present land-grant colleges and universities are now centers of scientific and professional instruction in other fields as well as agriculture.

In addition the vocational training program in agriculture supported through the Department of Health, Education and Welfare at the secondary school level was put on a national federal-aid basis through the passage of the Smith-Hughes Act of 1916. This met the repeated requests of farmers for special training in practical agriculture. The Smith-Hughes Act of 1916 was supplemented by several acts to provide similar training in a broader range of subject matter. Through the George-Borden Act of 1946 federal funds were authorized for vocational education in home economics; in trades and industry; and in distributive occupations, in addition to agriculture.

The second phase in the development of service to agriculture through federal-state relations was undertaken in 1887 through the Hatch Act. It facilitated a program of research in agriculture. This was done by means of federal grants to individual states for the establishment of state agricultural experiment stations. The federal support was increased from time to time

¹ CAN WE SOLVE THE FARM PROBLEM? Chapter 3, An Analysis of Federal Aid to Agriculture, Benedict, Murray R. The Twentieth Century Fund, 1955.

through the Adams Act (1906), the Purnell Act (1925), the Bankhead Jones Act (1935) and the Research and Marketing Act (1946). The research was at first applied to matters and problems of production but in 1925 the Purnell Act opened the way for economic and sociological investigations as part of the program. Now¹ an amount in the order of 31½ million dollars are available through annual federal grants to these institutions. These are about one third of the funds expended by the states.

The federal government has, in addition, conducted a great deal of research within the Department of Agriculture and its various sub-stations. The cost of this is at least double the input of federal funds for research at the state experiment stations.²

The amount of research for the benefit of agriculture in the United States has been greatly accelerated by the close teamwork that has developed over the years between the United States Department of Agriculture and the stations and as well between the various state experiment stations. Regional problems are being solved through co-operation of the experiment stations therein and one or more departmental agencies. Departmental research problem responsibilities are being approached through these arrangements. Such federal and state arrangements permit the co-ordination of research for which the federal Department of Agriculture has the responsibility. Virtually all the research agencies of the Department participate with state experiment stations in this work.

The third phase in the service of the United States Department of Agriculture to the industry has to do with the development of a co-operative federal-state extension service.³ Through this Service the results of the research carried on in the state experiment stations and the Department have been extended to the people in rural communities. This was made possible by the passage of the Smith-Lever Act of 1914. It provides for an extensive program of adult education in rural areas. Provision for the Federal Extension Service in the Department, however, did not take place until the Agricultural Appropriation Act of 1924. At the time of the reorganization of the Department in 1953, the Secretary re-emphasized that the Federal Extension Service would continue to have the leadership for all general educational programs. Also in 1953, the Smith-Lever Act was amended to consolidate it with nine other acts relating to extension work. A further amendment in 1955 permitted the use of federal funds for extension activities under the Rural Development Program without the matching of funds by the States as under the regular extension program.

The co-operative federal-state extension service derives its name from the fact that the Federal Department of Agriculture, the individual states through the land-grant colleges and the county governments share in the financial administration and subject-matter responsibilities for the out-of-school educational programs carried out in rural communities. The federal extension service office is composed of a comparatively small administrative and professional staff. Their job is to serve as liaison between the departmental research and action agencies and the administrative and extension subject-matter staffs at the respective land-grant colleges and to provide leadership in the continuing adjustment of programs to meet changing needs.

The real extension work is conducted by county extension agents located in nearly all the counties of the country. In addition to the job of bringing the

¹ Information provided by U.S. Department of Agriculture.

² This amounted to approximately 63 million dollars in 1959.

³ The co-operative character of this service is detailed in a uniform "Memorandum of Understanding" (revised November 16, 1954) between the Department of Agriculture and each land-grant college or university. (See "U.S. Department of Agriculture, Organization and Function, June 1958".)

results of research to farmers, homemakers and rural youth, they have over the years devoted an increasing amount of time and effort to rural non-farm and urban people on a host of both specific and broad community problems. The county extension agent takes the lead in the organization of all extension activities in the widest sense and particularly in fitting the various governmental programs into the local situation.

Recent reports¹ have been issued by leaders in the Co-operative Federal-State Extension Service resulting from a systematic analysis of past accomplishments and needs for the future. The full scope of extension program areas are now regarded to include (1) efficiency of agricultural production, (2) marketing, distribution and utilization of farm products, (3) conservation, wise use, and development of natural resources, (4) management on the farm and in the home, (5) family living, (6) youth development, (7) leadership development, (8) community improvement and resource development and (9) public affairs. These indicate the extent and magnitude of the job which has been placed on the Co-operative Extension Service.

The extension services have now become an important permanent feature of the institutional structure of American agriculture. Increased governmental activity in recent years has demanded increased contact and extension of information with regard to programs in rural areas. This has strengthened and consolidated the position of the extension service.

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3rd Session, 24th Parliament, 1960

THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA

No. 2

THURSDAY, MARCH 10, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

WITNESSES:

Dr. J. F. Booth, Director, Economics Division; Mr. A. E. Barrett, Assistant to the Director General, Research Branch, and Mr. Ralph A. Stutt, Head, Land Economics Unit, Economics Division, Administration Branch, Mr. S. F. Shields, Regional Director, Prairie Farm Rehabilitation Administration, (All of the Canada Department of Agriculture.)

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Methot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor, (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, March 10, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada, met this day at 11.00 a.m.

Present: The Honourable Senators: Pearson, *Chairman:* Bois, *Deputy Chairman:* Barbour, Basha, Boucher, Bradette, Buchanan, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Smith (*Kamloops*), Taylor (*Westmorland*), Taylor (*Norfolk*), Stambaugh, Turgeon and Wall—24.

The Committee proceeded to the further consideration of the Report of a Delegation of the Canada Department of Agriculture, made on the Request of the Special Committee of the Senate on Land Use in Canada, on the Rural Development Program in The United States of America.

The following officials from the Canada Department of Agriculture were heard with respect to the said Report:

Dr. J. F. Booth, Director, Economics Division; Mr. S. F. Shields, Regional Director, Prairie Farm Rehabilitation Administration; Mr. Ralph A. Stutt, Head, Land Economics Unit, Economics Division; and Mr. A. E. Barrett, Assistant to the Director-General, Research Branch.

At 12.30 p.m. the Committee adjourned to the call of the Chairman, tentatively set for Thursday, March 17, 1960, at 11.00 a.m.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE

SPECIAL COMMITTEE ON LAND USE IN CANADA

EVIDENCE

OTTAWA, Thursday, March 10, 1960.

The Special Committee on land use in Canada met this day at 11 a.m.

Senator Arthur M. Pearson in the Chair.

The CHAIRMAN: Honourable senators, I think we are ready to start our program this morning. We have three briefs which will be read respectively by Mr. Shields, Mr. Stutt and Mr. Barrett. You will see their names on the heading of each of them, and we will hear from them in that order. Mr. Shields is Regional Director of the Prairie Farm Rehabilitation Administration in Saskatchewan with his headquarters at Swift Current where the Dominion Experimental Farm is located. Mr. Shields has had a varied career in the needs of farming, et cetera, throughout Saskatchewan, and I think he is able to give us a very clear picture of things out there from the point of view of the Prairie Farm Rehabilitation Administration.

Perhaps, Mr. Shields, you will prefer to read your brief through first, and then be questioned. I will ask honourable senators to make a note of any questions they wish to ask, and then ask them after Mr. Shields has finished.

Mr. S. F. SHIELDS, Regional Director, Prairie Farm Rehabilitation Administration: Mr. Chairman and honourable senators, I wish to express my appreciation of being a member of the delegation of the Canada Department of Agriculture and to participate in discussing a section of our report on the Rural Development Program in the United States. Dr. Booth, the leader of our delegation, has ably introduced and discussed the report giving a broad outline of the progress to date of this Program. He has suggested that each member of the delegation discuss a section of our report dealing with visits to certain States which had pilot counties.

Mr. R. A. Stutt and myself during the week of October 6-10, 1959 made visits to pilot counties in the States of Washington and Montana. We first travelled to Pullman, Washington and at Washington State University met with the Director of the Institute of Agricultural Sciences and other personnel from the Agricultural Extension Division. They outlined for us their organizational set-up relative to the Rural Development Program which was being carried out in Stevens County.

Stevens County was designated as a pilot county for study and preliminary activities under the Rural Development Program were started in October 1957. This county is situated in northeastern Washington and is bounded on the north by the Province of British Columbia. One of the main highways connects Trail, B.C. to Kettle Falls and thence to Spokane. We have a map here, and I would just like to point out the location of this county. It is here in northeastern Washington. This county is between mountain ranges and was formerly covered with heavy forests. There are sizeable agricultural areas in the south and smaller areas in the north. Farms vary widely in size with

many small farm units. There are many woodland pasture areas and considerable tillage pasture. Hay and pasture for beef and dairy cattle enterprises are common. Cereal grains such as oats, barley and some wheat are the main cash crops. Timber is still an important product on many of these farms.

A State Advisory Committee comprising 40 representatives of various federal and state departments and other agencies was set up to give guidance to this program. A special task force with representation from the State Extension Service, the Agricultural Economics Department and the Department of Rural Sociology of Washington State University were assigned to assist in planning and conducting research to get background information and help people inventory and appraise their situations in Stevens County.

A great deal of publicity was given to the idea of organizing for a study of the resources and possibilities of the county area. The county was divided into 16 trading areas and a representative was appointed from each area. This became the steering committee for organization. The committee members were a cross section of agriculture, business and industry, service clubs, special interest and civic groups. This Committee effectively organized the Stevens County Rural Development Planning Council with a large number of people serving on sub-committees such as agriculture, industry and employment, tourist and recreation, forest use and management, transportation and communication, better living, education, public policy, mining and youth. The various sub-committees had representation from each trading area and over 200 people were active. Frequent meetings were held and extension leaders were helpful in directing surveys so that basic data could be obtained.

The principal survey was an agriculture-human resources one. This study covered (1) community development needs, (2) education, (3) recreation, (4) occupations, (5) pattern of organizational participation, (6) activities and interests of teenagers, (7) plans of older people, (8) agriculture, (9) family life and levels of living and (10) Indian affairs. These data were obtained from a random sample of 620 Stevens County families. The second questionnaire was obtained from all high school students at school on a specific day. This was really a youth activity survey to determine their interests and potential help in community development. Other research efforts included a series of surveys to determine the feasibility of establishing a junior college in Stevens County and a survey to determine the attractions to tourists in the county and accommodation available.

The results of these surveys were most helpful and the Rural Development Planning Council have organized discussion groups around subjects pertaining to agriculture, community planning and roads, education and youth, new industry, lumbering, mining, tourist trade and recreation and tree farming. All people are becoming well informed through such committee activity. The basic information obtained from surveys is being used to formulate long range plans.

It was pointed out that some projects were being undertaken and others were being planned. Some new wood processing plants have been established, and some existing wood plants have enlarged their operations finding new market outlets. Encouragement to operators of many small farm units to improve their practices or make changes in their enterprises have allowed them to be employed in industry or services. An increase in cultivated pasture has encouraged beef cattle production and there has developed a county auction market for feeder cattle. The Small Business Administration, after investigating and extending loans, has assisted several small industries to become established. The development of facilities for recreation, the increasing number of tourist accommodations and improved facilities for camping and picnic grounds is making this area well known. Winter sport areas are being developed and many hunters are being attracted here. Educational facilities

to provide for vocational training and a survey to determine the feasibility of establishing a Junior College in this county was under study.

The planning committees had set up a very good outline of projects they were interested in undertaking, and with stimulation and motivation from extension agencies the people by assuming leadership were accomplishing many worthwhile undertakings. Such type of program as developed in the pilot county was being made applicable to other counties in the State.

We arrived at St. Ignatius in the southern part of Lake County, Montana. Lake County is situated here in northwestern Montana.

Senator STAMBAUGH: Stevens County is that other black spot?

Mr. SHIELDS: Yes, over to the north-east, here. At St. Ignatius we contacted the vice-chairman of the Rural Development Committee of Lake County. The vice-chairman was also the County Superintendent of Schools for the southern section of this county. We were able to get a great deal of information as to how the committee had been set up in Lake County. This program commenced in 1957 when a rural development agent was placed in the county. A great deal of publicity was given to the Rural Development Program and from meetings held an over-all Executive Council was formed. Representation on this council included businessmen, farmers, ranchers, lumbering firms, education, labor, and representatives from the tribal council of Indians.

Committees were formed, and people were assigned to work on various committees to undertake surveys and get all of the information possible concerning activities and the resources of this area. This survey is being completed at the present time, and it will help the people to properly assess their possibilities.

We visited the county extension office located at Ronan and met the chairman of the Lake County Rural Development Council. The chairman outlined how the Executive Council through their meetings and discussions had set up three major committees.

1. Tourism Committee: The tourist industry offered good possibility for development as it is very important to the northern part of this county. The natural scenic beauty in this mountainous valley along with the increasing development along Flathead Lake offer many advantages. The Chamber of Commerce at Polson, Montana has been very active for several years in sponsoring the development of Flathead Lake as one of the better seasonal resorts. The lakeshore development with privately owned summer homes, motels, cabins had grown tremendously. Fishing, boating, and development of summer playgrounds was making it an even more attractive area for tourists. A great deal of time was being spent by this committee in studying other possibilities and encouraging further development to attract more tourists each season. The Rural Development Program had no doubt given extra enthusiasm to this committee, and through agency assistance many new projects had commenced.

2. Agricultural Committee: Although progress in the Agricultural Committee has been slow, there was still a need to stimulate group approach to their problems. They have a very difficult land problem as a good deal of the land in the southern portion of the county is an Indian reservation. People have been allowed to purchase and settle on this reservation. With irrigation development on some of these rich valley lands it has been difficult to expand their holdings because of the Acreage Limitation Law. This law did not allow anyone to acquire more than eighty acres, per person, of irrigated land. Considerable investigation has made it possible for legislation to raise this to 160 acres per person. Some farm holdings were increased and some of these lands were held in the name of a wife. This would now enable farmers to increase

their holdings and allow them to obtain loans to improve and adjust their agricultural practices. There was a need to study and by demonstrations to improve their present agricultural program.

The Agricultural Committee has promoted a reclassification and land appraisal. This would assist them in setting up a proper tax base in the county.

New regulations to improve the land pattern, particularly with regard to the handling of Indian lands, was a very important part of a study being made by this committee. It was difficult to acquire some of these lands or consolidate holdings due to the complications of estates among some of the Indian families. There are, at present, 1,500 Indians living in the county and approximately the same number living off the reservation that draw benefits from this area. This has created a very difficult tax situation.

There are in Lake County a large number of retired people located near the lake area who are not particularly interested in seeing many improvements as it would affect their welfare through increased taxes. There are still a large number of small farms in the area and small ranches which can not be operated efficiently. People on the small holdings can benefit by receiving off-farm or seasonal employment. Of recent years, there has been considerable migration from eastern Montana, Idaho, and Utah. These are farmers and ranchers who are buying out properties from older people. This had helped to consolidate and improve some of the farm and ranch holdings.

There has always been a very active Chamber of Commerce at Polson, who have encouraged new industrial development. The forest industries employ a large number of people, and recently some new saw mills and a plywood finishing plant have moved into this area. More people were being continually employed in these industries. Although these new industries are not a result of the new Development Program, it has stimulated their committee to look farther afield and investigate other possibilities. Some of the present lumber mills are expanding their operations, and during the past year a sash and door factory has been put into operation. Since the organization of the Lake County Development Council, broader interests have been created on the executive board. This has stimulated the activities of the sub-committees. They see the need of adding more committees as the need arises. As more projects get under way, it will stimulate the whole program.

I later made a visit to the State College of Montana at Bozeman and met the Director of Extension and other personnel associated with the Rural Development Program. The State Committee although existent had just become active after reviewing the progress reports of the pilot counties in October 1959. The Program has developed slowly in Montana during the first three years but from the experience gained plans were now being made to give attention to other areas through the State. Area consultants are being assigned to co-ordinate Development Programs for other counties in Western Montana. It was the expression of opinion from the Extension Service in Montana that the Rural Development Program as being developed in pilot counties gave them a new approach as to the broad scope of Extension for the future.

The CHAIRMAN: Thank you very much Mr. Shields. You have presented a very good report. We will now hear from Mr. Ralph Stutt.

Senator STAMBAUGH: Mr. Chairman, are we permitted to ask questions now?

The CHAIRMAN: No, we will reserve our questions until the other two reports have been read.

Mr. R. A. STUTT, Head, Land Economics Unit, Economics Division, Canada Department of Agriculture: Mr. Chairman and honourable senators, I wish to supplement the report of our delegation and the remarks of my colleagues touching

on general highlights and some features of the Rural Development Program in specific areas. My remarks will relate to activities under the Rural Development Program in the Northern Lake States of Minnesota, Wisconsin and Michigan.

Physical conditions in the northern part of these States are similar to large sections of Western Ontario and to the parkland, northern wooded and pre-cambrian areas of the Prairie Provinces of Manitoba, Saskatchewan and Alberta. This refers particularly to soil and the landscape, to the prevalence of coniferous and mixed hardwood forests and the extensive water resources.

It is pretty well recognized that this section of the United States has physical and economic disadvantages in terms of agricultural pursuits.

Senator HIGGINS: Would you show where Michigan and Minnesota are, generally?

Mr. STUTT: Honourable senators, the pilot counties shown on the map are in black. The pilot counties in Minnesota, are Carlton, Itasca and Hubbard; and in Wisconsin they are Price and Sawyer. In Michigan the whole Upper Peninsula area is designated as a rural development area. In particular, the pilot counties are Delta, Alger and Mackinac.

Senator STAMBAUGH: I see you missed North Dakota when you were working east.

Mr. STUTT: I may say at this time, and it may come out later in the discussion, that there are not at the present time any formal organizations in North Dakota, although they are making some preparation, I understand, to commence activities under the program.

Senator STAMBAUGH: But the land really in North Dakota is similar, and their occupations more so in Saskatchewan and Alberta than in Michigan and Wisconsin; is that not so?

Mr. STUTT: That is very true. I am referring here to the northern parts of Manitoba, Saskatchewan and Alberta as being comparable with parts of the three Northern Lake States.

Senator STAMBAUGH: Yes, I noticed that.

Mr. STUTT: To continue with my remarks:

The economy of the early days was influenced strongly by and dependent on the extractive industries of iron and copper mining and lumbering. With the gradual depletion of these resources land settlement took place. Soon, however, many economic and social problems developed with regard to lack of soil fertility, land clearing, tax delinquency, and community services of roads, schools and so on. Much attention was directed to the alleviation of these problems by federal and state governments and agencies and in the case of the State of Wisconsin in particular, the facilities of the state university were directed to a comprehensive program for better use of land resources. At this time, research was concentrated on the delineation and control of land use by means of rural zoning. Most of the action was accomplished by the state government in conjunction with county governments through concurrent legislation. Use of a great deal of these lands for forestry and recreation in the future was directed through a principle of non-conformity. Under the regulations, the continuation of current established uses of land was permitted but the establishment of certain specific "non-conforming" uses was prohibited, which were considered harmful to public interests.

Assistance to farmers on matters of agricultural production and marketing was the principal role of the extension departments. Industry development was not promoted as a means of adjustment and recreational development was only showing signs of expanding into a major industry, for which the area was ideally fitted.

Among the methods used to deal with problems in land utilization was the development of local study and action groups. Citizens of a county or community, with the help of university personnel, made inventories and capability studies of their land resources.

When the Rural Development Program came along it was a logical shift in emphasis from an agricultural basis to a consideration, by local groups and committees, of the development and appropriate use of all the resources of the area and particularly those which were suited to non-agricultural pursuits. So it seems to me that the citizens in the northern parts of these States were conditioned to the concepts of the Program by the methods and programs which had been in effect when rural development was first launched in 1955. Because of this attitude development and previous programs in agriculture, the extension of the program to one covering all resources was a logical and easy step. Somewhat parallel experiences were observed in other States but because of differences in the productivity of resources, in backgrounds, education levels and extension programs, other kinds of activities were undertaken in the Rural Development Program. For example, in Kentucky, many of the projects were of a short term nature, and to some, would appear elementary. In contrast, projects in the northern lake States, were somewhat more complex and advanced and involved longer periods of study, planning and implementation.

As in the case with land settlement, development and use problems, other basic resource problems and needs were studied and identified through resource inventories in which a large number of lay people were involved. These were used as the basis for community action through rural development activities in many fields such as industry, employment, recreation, education, public affairs and others. Many agricultural projects have also resulted from these resource studies.

In parts of the Northern Lake States where rural development activities under the Program are underway, agriculture is now a relatively small part of resource development. Total development is conceived not only in economic terms, by which it is possible for individuals to obtain more profit through the encouragement of a wider variety of activities in an area. It now encompasses development in all civic and community affairs, such as the raising of educational levels; improvement of community services and facilities including better schools, roads, health, communications and religious opportunities.

Those involved in extension work in the resource development field regard the effectiveness of their efforts and of local projects to be as strong only as the desire of the people to solve their problems. This is an essential and key factor in rural development activities. It was amply demonstrated in the initial efforts to get some development projects underway in Luce County, Michigan. Here initial efforts directed from the top failed to gain local acceptance or response. It was only when the responsibility was accepted by the local people that developments got underway. Another main factor bearing on the effectiveness of rural development projects and the betterment of human welfare is the focussing and redirection of all types of public programs to the specific needs of the people.

A steady improvement in the forest resource base is underway in this section of the country. Through county and community committees reforestation is going ahead as fast as seedlings are available. This is an encouraging movement from a land use point of view and indicates an appropriate and desirable trend towards recognition of the capability and suitability of the land. Part of this can be attributed to recommended practices and government assistance under the Agricultural Conservation Program.

In the educational phase of the Program one can note a definite trend or emphasis on vocational training for non-agricultural occupations. This is usually not taking place at the expense of vocational training courses in agriculture, but in addition to it. In one case in Minnesota, however, we found that a complete switch from all-agricultural courses at the North Central School at Grand Rapids to courses which would fit people for jobs in industry was being considered. In Delta County in Michigan, local lay people had under advisement the feasibility of a "community" college which would offer practical courses under a broad vocational and technical training program.

Any comment about rural development in the Northern Lakes States would be incomplete without reference to the tourist and resort business. In the Upper Peninsula, for instance, the income from this business nearly equals the revenue from forestry or mining and exceeds agriculture. Opportunities for expansion in the industry are available through a greater variety of all-season activities and facilities. Rural development committees are devoting an increasing amount of attention to this field. Development of tourist and recreational facilities are regarded as important and essential parts of an over-all development program. A comparable parallel might be drawn with recreational opportunities in adjacent Canadian areas.

A high level of development in extension has been attained in these three States. Prior to the Rural Development Program most of the educational activities under each State Extension Service were rural and agriculturally oriented. The Extension Services now operates within a much wider circle of community interests. These services relate to such matters as reforestation and forest management of small woodlots, wood manufacture and development of wood product markets; encouragement and help to new and existing industry; job opportunities, placement and guidance; development of the tourist industry; vocational training; community problems relating to school and educational matters, roads, zoning ordinances, taxation, health and safety. The extension personnel are not even classed as agricultural agents. In the case of Minnesota they are called area rural development agents; in Wisconsin, county agents; and in Michigan they are called county extension directors. They are supported by additional extension agents for agriculture, home economics, 4-H Club work and by specialists at universities.

In Minnesota, Wisconsin and Michigan, as elsewhere under the Rural Development Program, attention has been directed to a broadening and expansion of the resource base to permit desirable adjustments in rural areas. This is being done to allow the profitable employment of people unneeded in agriculture; to attain a higher level of living and enjoy better opportunities for education, vocational training and improved health. It still includes the important objective of helping families desiring to remain in farming to attain the most modern and efficient methods of production.

The CHAIRMAN: Thank you, Mr. Stutt. You have tendered a fine review. Now, Mr. Barrett, we will hear your review of the delegation's trip.

Mr. A. E. BARRETT, Assistant to the Director-General, Research Branch, Canada Department of Agriculture: Mr. Chairman, Honourable Senators: It is indeed a privilege for me as a member of the delegation appointed by the Canada Department of Agriculture to study Rural Development in the United States to appear before you and be accorded the honour of speaking to you. Our delegation leader Dr. Booth at your last meeting on March 3 gave a comprehensive review of the overall concepts of the Rural Development Program. As Dr. Booth stated "It is pretty well recognized and accepted in the United States that area of economic development in fields outside of

agriculture offers the best opportunities for improved levels of living. This is not to say that efforts to increase income and improve living conditions through development within agriculture are not important". A further point made by those representatives in the States where we visited and again I quote from Dr. Booth, "Rural Development has been called 'A people's program' by a leader in one of the pilot counties in the southeastern part of the United States. This is not an overstatement by any means since the real core and key to the success of the Program lies with the local county or area committee of lay people".

It is pointed out that the delegation had acquired a background of concepts by the time it reached the State of Michigan and later on the State of Maine. The facts were well stated for the individuals taking part in the program. The possible goals were outlined and the degree of progress recorded was dependent on just how attractive these goals were to the individual.

An examination of the step by step procedures followed in Washington County, Maine, is useful. This county is located at the most easterly point in the United States and lies immediately adjacent to the Province of New Brunswick with much of its shoreline being considered as part of the outer reaches of the Bay of Fundy. The Passamaquoddy Bay is bordered by Washington County in Maine on the United States side and by the Electoral District of Charlotte in New Brunswick on the Canadian side. The topography on both sides of the line is quite similar and the physical problems of land use are very closely related.

In our visit to Maine we made our first contact at the University of Maine at Orono. Dr. Lord, Director of Extension and Mr. E. B. Bates, Extension Program Specialist, accompanied us on part of our inspection of Washington County and Mr. Lloyd Rozelle, Rural Development Agent, was our guide throughout the duration of our visit. The close attention given by these men permitted us to acquire quite specific information on the program in the county and inspect many of the projects. We also had a supper-meeting with chairmen of local committees at Machias and on our second day in the county we met representatives of a Pulp and Paper Company at Calais and inspected mill operations.

Plan of Procedure and Projects in Washington County, Maine:

On August 24, 1956, Washington County was designated as one of 27 pilot counties to receive "special educational, technical, administrative and farm credit aid in moving forward with balanced agricultural, industrial and other development". Washington County was the only one in New England and one of four counties in the entire Northeast (North of Virginia). Immediately following the designation as a Pilot County leaders representative of the principal interests and areas of the county met to discuss the Rural Development Program.

Some 100 local residents were named to Rural Development Program committees and proceeded to make a detailed study of the resources of the county. The statistical data assembled by these committees is summarized below.

Resources of Washington County, Maine

Total area, 1.68 million acres:

85% Woodland	1.47 million acres
8% Lakes	133,000 acres
4% Bogs & swamps	68,670 acres
3% Cropland & Pasture	60,800 acres

9 Rivers—412 miles total

Average rainfall	36"
Average temperature	42°
Average summer temperature	60°-70°
Average length of growing season	140 days

Value of forest products harvested, \$5 million:

164,000 cords pulpwood
 28 million board feet of lumber
 220,000 bundles Christmas trees, etc.

1,120 farms produce and sell \$3 million of products;

61.8 million pounds of fish valued at \$2.6 million harvested, processed & marketed.

Total Population 35,187:

Rural non-farm	65%	22,523
Farm	15%	4,952
Urban	20%	7,712
4 Cities and towns over 2,000 population		
59 towns and plantations		

Total value personal and real estate property \$19 million.

108 manufacturing establishments
 \$43 million value of product
 3,000 employed ($\frac{2}{3}$ men and $\frac{1}{3}$ women)
 8.8 million paid in wages—average wage \$2,800 a year.

Transportation: 125 miles of railroad serving coastal area and northern tip of county.

Amenities and social institutions:

11 banks, 103 churches, 2 hospitals
 18 high schools (1353 students)
 57 elementary schools
 200 eating places
 200 lodging places
 33 hunting or fishing camps

This detailed inventory of resources provided the base for the Rural Development Program. Sub-committees dealing with the different specialty areas examined the resources available, determined prospects and suggested action. Some of these are dealt with as follows:

Sheep Development:

The resources study showed that some 20,000 acres of cropland not being pastured or harvested much of which was suitably located and otherwise available for sheep production. 1,500 ewes kept by 80 farmers produced a gross income of \$50,000 and a net labour income of \$20,000 annually.

Prospects: It was the view of this committee that there was room for a sheep population of at least 20,000 ewes and this could be the objective through the next ten years.

Suggested Action: To establish at least six demonstration farm flocks in various sections of the county under agreements with financing agencies that recommended management practices as advocated by the Extension Service will be followed.

Progress recorded: As of June 30, 1959, some 220 ewes were imported from the midwest and nine demonstration flocks were established. Nine demonstration farms were established, and we visited one of these farms in the course of our inspections.

Blueberry Development:

The survey showed that from 8 to 12 million pounds of blueberries are harvested annually from over 460 farms having from one acre to several hundred acres representing a gross farm return of from one to \$1.5 million.

The committee suggested that land improvement through fertilization and weed control to increase per acre and total yields should be given consideration. The Blueberry Hill Experiment Station is entirely devoted to research on this crop and is a part of the research organization of the University of Maine. Some quite extensive fertilizer tests are conducted on the station. An interesting side light on this industry is that hay for burning blueberries commands the same price as does hay for livestock feed. The experiment station is running a series of experiments testing hay versus the oil burner as a means of burning off the blueberry stands.

Forestry Development:

The base statistics on area income from forestry products are already stated. The view of the sub-committee dealing with this phase was that greater incomes for landowners, operators and crews was possible. The suggested action was that the Extension Service promote better general forest management and that the Forest Service provide management counselling for small mill operators.

Six fertilizer demonstration plots are being conducted to determine the effect on growth, colour and density of Christmas trees. Landowners, The Maine Christmas Tree Association, College of Agriculture, Extension Service, Forest Service, and a commercial fertilizer company are co-operating. Woodlot management practices are encouraged more than reforestation due to the area's natural reseeding environment.

Hardwood mills within the limits now being cut by the pulp and paper interests are receiving consideration. We visited one such mill and found that the professional forester who is employed by the Pulp and Paper Company is giving these mill operators advice and guidance.

Another type of co-operation by the pulp and paper interests has been the area of resource development for recreation purposes where they have opened their limits to hunting parties in the fall. Each group is checked in and when leaving report the game taken and at what location in the limits it was found.

Use of Land for Parks and Recreational Facilities:

The inventory approach disclosed the large area of lakes in the county (133,000 acres or 8 per cent of the total area) and over 400 miles of main rivers and large streams. Many of these lakes were surrounded by privately-owned land hence the matter of access by the general public in the county or tourists was difficult. Through investigations, discussions and local effort action suggested by the Rural Development Program has been taken in several town meetings to acquire and develop rights-of-way and boat landings on lakes and tidewater. The delegation inspected one such project in its initial stages with the local committee. A long term plan for parking facilities and other amenities had been drawn up and was in the process of development.

Under this program shore areas and adjacent land which was of very little use is acquiring distinct value for recreational purposes.

Other Projects:

Fundamentally the Washington County Program revolved around the use being made of its agricultural land, forestry, fisheries and recreational resources. Some study was given to projects such as poultry development but in this case it was more of the type of commercial large scale enterprises than as a program applicable to any great number of people. A sub-committee made a careful study of the structure of the educational system in the County seeking to determine occupation of graduates, reasons for leaving schools, etc. Many parts of this study were still incomplete, hence, no recommendations for action were put forward.

Appraisal:

While the inception of the program in Washington County occurred in 1956 no real progress was made with projects until 1958, the intervening two years being the period required to draw up the inventory of available resources. There is no doubt that the enthusiastic response has resulted from the carefully documented inventory approach. The strong point of the program in Washington County and elsewhere as well, is the joining together of all interests for its development. If I might paraphrase some of the comments, "This is the best example to date of an entire county effort". In my own experience, I have never before met groups with divergent interests who seemed to be so much aware of each others' problems and the need for their solution.

The CHAIRMAN: The meeting is now open to questions.

Senator SMITH (*Kamloops*): I have a basic question in my mind which I think is of importance in considering everything connected with the reports. My question concerns the basis on which these 27 pilot counties were selected, having in mind the necessity to inspire interest on the part of the local people. I am wondering if they were selected on the basis of the most depressed conditions, where the people would be more anxious to seek a solution to their problems, or do they represent average conditions throughout the area?

The CHAIRMAN: Dr. Booth, could you answer that question?

Dr. BOOTH: Mr. Chairman and honourable senators, the areas that were selected as pilot counties were selected, as I understand it, on the basis of their income producing capacity, and they are in the lower range of level of income from farms. I think it would be fair to say that by and large this program is one aimed more particularly at problem areas than it is at the good farming and high income producing agricultural sections. This is not to say that the program has nothing to offer such areas. I have not consulted my colleagues on this, but it seems to me that that is the way the program has been applied.

Senator BRADETTE: Were you given a record of the production per farm in those areas in which this pilot program was undertaken?

Dr. BOOTH: There is such information available, and perhaps, in some of the reports we were given a good deal of that information is shown. Mr. Barrett has just mentioned the income in Washington county. The income, generally, is low in all of these counties—that is, income from farms.

Senator LEONARD: Dr. Booth, I gather you can calculate it from the figures given on page 2 of Mr. Barrett's report where it says 1,120 farms produce and sell \$3 million of products. Would not that give you your average calculation? It is pretty close to \$3,000 per farm, or \$2,900 per farm.

Mr. BARRETT: If I might speak to this question briefly I will say that there was some doubt that Washington County had a low enough income status to

be considered in this program. It was distinctly marginal from the standpoint of having a low income. In fact, it was one of the better areas of the problem areas.

Senator HORNER: You mentioned the burning of the blueberries. That does not necessarily happen every year?

Mr. BARRETT: No, about every second or third year. We have a number of experiments in our own organization.

Senator HORNER: Do you use ordinary hay for burning? That would be an expensive process.

Mr. BARRETT: The hay which is made available to the blueberry people for burning is not the same hay that you would save for livestock.

Senator HORNER: But it is not wild grass?

Mr. BARRETT: It might be, or it might be hay that was out in the sun and got burned.

Senator WALL: May I ask this question which I think follows from a previous question that was asked by Senator Smith: What is the special educational, technical, administrative and farm credit aid which moves forward with balanced agricultural, industrial and other development once a project area is picked out?

Mr. BARRETT: It would be rather difficult to enumerate the agencies, but they would be the agencies covered in our original report, which was submitted last week, such as the Farmers' Home Administration, the Department of Commerce and the Soil Conservation Service, et cetera, which would be called in to give this type of advice.

Senator WALL: In other words, everybody converges on this problem, in a sense, and co-operates in a team effort, and there is, *per se*, no legislation with respect to farm credit or business credit? They make use of what is already existing?

Mr. BARRETT: That is pretty much the case. Actually, the Farmers' Home Administration had this project or program drawn to its attention as one of the special problems, and they gave it not necessarily particular attention, but they were very much aware of the type of program that was being undertaken by any man under the rural development program.

Senator McDONALD (Kings): Mr. Chairman, I am sure we all appreciate these interesting and educative reports from these gentlemen. I would like to hear from Mr. Shields, Mr. Stutt and Mr. Barrett about their talks with the farmers and others in these counties regarding the benefit of these rural development programs to their people. I take it you must have talked to some of the sounder and better established people in the communities. What did they say about the benefits of these programs?

Mr. SHIELDS: Mr. Chairman and honourable senators, I think the interesting point was always to get down to the level of the farmer or the individual concerned, and to get from him his experience. I might just refer briefly to the contacts we made in Stevens County in Washington. Where there were these small farm units and where these people had become interested in having a small acreage. It was indicated to them, after all these surveys, that they might be better off in considering changing their enterprise. One of the examples was that one man could spend 40 hours a week working in a lumber mill, and he and his wife, with the family, were able to undertake poultry projects, keeping about 600 to 1,000 laying hens. With the time he had off from work and over the weekends he was able to do extra work, and get a much better return per hour for his labour, and help supplement his level of living.

We had that same example brought to our attention in northern Michigan where instead of a man trying to carry on farm operations on a small acreage it was better for him to seed his cultivated acreage into grass and graze 40 or 50 beef cattle on it, and sell the feeder calves each fall; he could be employed by working in the mills in that area.

They gave the people an opportunity of studying their situation and offering them alternatives. The county agent would go and spend a lot of time with each individual and study with them their alternatives, and these people were responding.

Senator McDONALD (*Kings*): This is resolving into part-time farming for a lot of these people?

Mr. SHIELDS: That is right.

Senator HORNER: The ordinary farmer was enthusiastic about this, was he?

Mr. SHIELDS: Yes, by working on committees, and making use of this information, he could see it was an advantage to possibly change his enterprise, making better use of his lands, and still have a good level of living, supplementing his income with employment outside of agriculture.

Senator HORNER: But you did not obtain knowledge as to the average income in Stevens County?

Mr. SHIELDS: That information is available from the reports given to us. A great many of the small farms of from 50 to 100 acres, which were owned by older people, whose gross income was \$2,000 or less. That information was made available in their reports.

Senator McDONALD (*Kings*): Under this limitation, the average farm would be small?

Mr. SHIELDS: That refers to the Irrigation Act under the Reclamation Service in the United States.

Senator McDONALD (*Kings*): How much of an area would be under this?

Mr. SHIELDS: I would say that in the county, as to the rich valley lands, if I recall the figure correctly, they had 40,000 or 50,000 acres irrigated. That is just in the southern part of the county. That is really a small percentage of the total land, for a lot of it is rough forest land.

Senator TAYLOR (*Westmorland*): They would grow specialized crops in the irrigated areas, wouldn't they?

Mr. SHIELDS: Yes, there are a lot of specialized crops in that area.

Senator McDONALD: What would they produce?

Mr. SHIELDS: Sugar beets, hay and grain mostly, and of course they would have improved pasture along with beef cattle and dairy.

Senator BARBOUR: The first limit was 80 acres. Would a person be able to make a good living off those 80 acres?

Mr. SHIELDS: No, they found that acreage was too small, especially where their whole enterprise was on irrigated land. To get away from that, as we pointed out in our brief, sometimes a farmer could get another 80 acres under the name of his wife. But they found that in order to make a good living off irrigated land they needed an increase in acreage.

Senator McGRAND: Mr. Barrett, I am particularly interested in the study of Washington County in Maine. You indicate some 20,000 acres of crop land not being pastured or harvested. I presume that represents abandoned farm land.

Mr. BARRETT: Yes. This would be comparable with many of the pastures that you see neglected in various parts of the Atlantic Provinces where you have some small spruce and things like that, but it is still potential land for pasture purposes.

Senator McGRAND: Has there been any effort made down there to move people out of these partially abandoned and run-down communities, or is the idea to keep them on the land and to make them self-supporting under the new approach to the problem.

Mr. BARRETT: Actually the program in the counties thus far has possibly not arrived yet at the point where the goals which have been set up can be determined as being unsatisfactory. In these areas they are starting at a reasonably low level of income and a goal one or two steps above a farmer's present position seems to be attractive at this time. I would expect as time goes on and people become more aware of the possibilities, they might become disinterested with the present goals and move out on their own. However, there has been no suggestion so far in this program of moving people off the land.

Senator LEGER: Do the farmers get financial assistance from the state and the federal Government?

Mr. BARRETT: As individuals?

Senator LEGER: Yes.

Mr. BARRETT: The first day we discussed this program and said that it was somewhat of a catalyst or an idea, we were pretty close to the mark. These people have the services of all the specialists who work along with them. They will inventory the resources the man has under his control and give him an evaluation of what his possible goals are. One of the interesting things about it is that in talking with these people you get the feeling that the goals they are heading for are their own and they have not been put into their minds by anyone else. It is one of the most interesting and intriguing ways of extension.

Senator LEGER: You mentioned a while ago about one farmer who was advised to get 40 or 50 cattle on his farm to give him a better revenue. How could he finance the purchase of these cattle?

Mr. BARRETT: I don't recall making that statement but in the United States the Farmers Home Administration and various other credit sources are available to them.

Senator BRADETTE: Mr. Barrett, at page 2 of your brief you give the resources of Washington County, Maine, disclosing that it is 85 per cent woodland and 3 per cent crop land and pasture. One would gather from the brief that they have made mistakes in those sections in the United States, as we have in eastern and western Canada, of opening up woodlands for agriculture when in fact the land was not fitted for agriculture. I believe the same problem exists in Canada to just as big a degree as it does in the United States, and I feel this whole situation should be studied more carefully. I was raised in the Gatineau section and land was opened up by Monsignor LeBel who thought that the Laurentide would be a marvelous farming section, but aside from the valleys of the Rouge and Gatineau Rivers it could never be developed. There was no possibility of having good farming there. I suppose they have had the same experience in parts of the United States?

Mr. BARRETT: Yes.

Senator STAMBAUGH: It seems to me that the area which the committee visited could hardly be termed as an agricultural area. For instance, Michigan is supposed to be a great agricultural state with one of the widest varieties of grain and vegetables to be found anywhere in the country, and yet in the Upper Peninsula there is hardly any agriculture at all. Is that condition not the same across the northern part of the United States where you visited?

Mr. BARRETT: Yes, there is a great deal of similarity but there might be some difference as to markets. For instance, the Upper Peninsula is just across from Sault Ste. Marie, Ontario, and as you go down through the Algoma district

to Espanola and to the north shore and Manitoulin Island you have a different market complex, and while you may have somewhat the same resources agriculturally the use might be a little different in that these products are serving your northern mining areas, whereas the products across the line might conceivably be in direct competition with products raised in the southern corn belt.

Senator STAMBAUGH: I am wondering whether the councils across the states are similar or different. If they are different, how do they differ? What are their responsibilities? I would particularly like to know how far they can go. For instance, can they issue bonds?

Mr. BARRETT: I do not think I can answer that question.

Senator TAYLOR (*Westmorland*): I would like to ask two or three questions. All these rural development programs must have been initiated by some authority or body. I would like to know where they started? Did they start from a national, state, county or municipal source? That is my first question.

Dr. BOOTH: Mr. Chairman, perhaps it is a little difficult to say just exactly where this program started or how it started, because there is a lot of background information. A good deal of what is now being done had already been done in some way in various counties throughout the United States.

Senator TAYLOR (*Westmorland*): By what organization?

Dr. BOOTH: Under the aegis of various agencies—the extension service in the different States.

Senator TAYLOR (*Westmorland*): The departments of agriculture?

Dr. BOOTH: The departments of agriculture, yes. The colleges had already undertaken a good deal of activity in this field in States like Indiana and New York State. The particular stimulus behind this program, as was indicated at the last meetings, was largely the result of the efforts of Mr. True D. Morse, the present Under-Secretary of Agriculture, when he was with a private farm management advisory service in the United States. He started certain studies and developments through his organization in two areas which gave promise of great accomplishment and were well received. When he became Under-Secretary of Agriculture, he brought this idea into the Department, and around about 1955 drew attention to the possibilities of applying this approach throughout the problem areas of the United States. I think if any one man could be credited with what has been done, it would be Mr. True D. Morse, the Under-Secretary of Agriculture. He was able to rally the interest of many others and incorporate the existing federal and state agencies in this program which is now called the Rural Development Program.

I do not know whether I can answer it more definitely than that, Senator Taylor.

Senator TAYLOR (*Westmorland*): I have just another question in connection with that asked, I think, by Senator Leger. There must be some expense to this? Where do the funds come from? I suppose there are certain specialists working this field. Are they officials of various Government bodies, or departments of agriculture, or colleges, or does the local organization finance a part of this?

Dr. BOOTH: I do not know whether I am in a position to answer that any better than others. We were informed that there has been very little additional expense involved in this project. The Farmers' Home Administration, I believe, has had the earmarking of certain funds for this purpose. The extension service has certainly employed a few specialists who have been sent to particular counties to stimulate and assist with this program; but our understanding of

this is that there is very, very little additional money devoted to this project. They are certainly making use of existing facilities more completely and they are more specifically directed to certain fields of activity. But as far as we understand the program it is largely making use of the existing facilities with a relatively small amount of additional resources.

Senator TAYLOR (*Westmorland*): Then am I right in saying that a lot of the development has taken place as a result of farmers, businessmen, bankers, and all the rest, recognizing that something had to be done in their whole area or else they might go out of existence?

Dr. BOOTH: That is true.

Senator TAYLOR (*Westmorland*): Now I would like to ask a question in relation to what Mr. Stutt said on page 2 of his statement:

"Most of the action was accomplished by the state government in conjunction with county governments through concurrent legislation. Use of a great deal of these lands for forestry and recreation in the future was directed through a principle of non-conformity. Under the regulations, the continuation of current established uses of land was permitted but the establishment of certain specific 'non-conforming' uses was prohibited..."

Now, I am coming back to something that I mentioned here a while ago, that in my opinion, some of the best land in the Niagara Peninsula for agriculture is going into industrial development. When I made that statement, someone said it could not be avoided, and that you just could not say that these people could not go in there. That is what is going on in the areas you were speaking of, is it, Mr. Stutt?

Mr. STUTT: Senator Taylor, the experience in Wisconsin goes back over a long number of years. I think they are pretty well the fathers of rural zoning in the United States, and they set up the machinery, they used this idea, which actually goes further than land classification, of grading lands. The university people set up principles to grade lands to put them to the best uses: The lands that were not suited to agriculture were designated under a non-conformity principle for other uses, forestry, or recreation, or other non-agricultural uses a person using the land for established use at that time was permitted to continue. But if it turned out in future that the land changed hands, it could not remain in agriculture and had to be used for the use indicated by the classification. I think it is a very good thing and could be applied much more widely.

Senator TAYLOR (*Westmorland*): Now I would like to ask another question. I think some reference was made to a recommendation to this committee that they put so many cattle on the land in the fall of the year, and that the farmer do that work as part of the operation, and becoming a part-time worker in industry. Probably some of my colleagues saw the program on television pertaining to this last night at 10.30, and that brings up the very same point. What are you going to do in a situation where there are some farms, whether they be medium or fairly large, and there is not sufficient income to provide a proper standard of living, and where you have not got these industries for the people to be employed. Have you a solution for that?

Mr. SHIELDS: We discussed this situation with extension people, and the program, and the idea was there was the possibility of a good farm manager borrowing sufficient money to buy the neighbouring farm so he would have a balanced unit. It is dependent on the ability of the man to convince the loaning authorities that he was a good risk and his agricultural enterprise was sound.

Senator TAYLOR (*Westmorland*): What are you going to do with that fellow who has to sell his farm to another?

Mr. SHIELDS: In a good many cases of small farms, some of the men are near retirement age and are looking for an opportunity to sell their holdings. It does not solve all the problems, but it is taking care of a great many.

Senator HIGGINS: I would like to refer to page 2 of Mr. Barrett's statement, where it says:

Value of forest products harvested \$5 million; 164,000 cords pulp-wood; 28 million board feet of lumber; 220,000 bundles Christmas trees, etc.

1,120 farms produce and sell \$3 million of products.

61.8 million pounds of fish valued at \$2.6 million harvested processed and marketed.

Is fishing regarded as a separate industry?

Mr. BARRETT: It is really quite a commercial proposition and entirely apart from farming. They have some very modern methods of fishing now. Just in conversation with these people they were telling me about the use of suction pumps, and various kinds of equipment to take fish out of nets and into the holds of their ships. So it is not an offshore fishing proposition with two men in a dory.

Senator HIGGINS: How far out to sea do they go to get the fish?

Mr. BARRETT: I could not answer that.

Senator HIGGINS: Do the same people do the fishing as do the farming? Have they two ways of making a living, in other words?

Mr. BARRETT: Well, the figures we give for blueberries, for instance, are for production spread over several hundreds of farms, ranging from one acre to hundreds of acres or more.

Senator STAMBAUGH: What kind of blueberries are grown there?

Mr. BARRETT: Native blueberries although they are experimenting with some hybrid species.

Senator McGRAND: In your brief you mentioned that in Washington county they were bringing in sheep and introducing sheep raising in abandoned communities. I presume that is an idea that exists in the minds of people in all these other areas, an idea which has been investigated from coast to coast. I am wondering about it as a long-term project. Will wool fibre be able to meet the competition of synthetic fibre over the years? There must have been a lot of thought given to that.

Mr. BARRETT: I would imagine so, Senator McGrand.

Senator McGRAND: They must feel that wool fibre has a future.

Mr. BARRETT: Yes.

Senator WALL: Mr. Chairman, I do not want to detain ourselves any longer than necessary but there is a pattern of procedure which I see in the various briefs and it appears that at the federal level certain counties were chosen for experimental purposes and to those counties were assigned either people who were knowledgeable, or specialists, consultants, call them what you wish, to get the project started, and of course I am thinking of our Canadian situation as I am talking about this. Then the very next thing that happened, and I presume that would happen with the state consent and state participation and state assistance—the very next thing that happened, there was a survey made of human resources, economic resources and social resources if I may put it in that sense. Now, Mr. Chairman, that type of survey I presume would be a collation of materials that we already now have,

at least which we should certainly have at the provincial level plus the federal level, so it would be a question of collating that material, putting it together and saying, "Here is the way the picture looks in your own locality." Then it was a question of getting local interests, local initiative, setting up committees and getting this going and making everybody knowledgeable about the various levels and forms of assistance that could be used in order to assist the improvement of the resources in that particular community. Now certainly in all this there must be a lesson that we should be getting and probably we should be translating that into the terms of reference of our own problems in Canada. It is not a question that I am posing, but the thing that bothered me, and the gentlemen have nodded their heads: there is that information available and the information could be supplemented by a questionnaire or something that would make it more personal to that community. Now, would the gentlemen feel that some of that experience could be transferred over here so that we could do something like that with benefit to ourselves? Is that the story we should be getting out of these presentations? Is that a fair question to ask, Mr. Chairman?

Mr. BARRETT: Yes, I think that is a fair question. But we must not forget either that there is a great area of very close correlation between agencies interested in agricultural development in Canada. As you point out, Senator Wall, the important point about it all is that the man who owns the asset takes the idea as his own and goes on from there, knowing what goal he can achieve. I think that generally in the light of my own experience with our department and the area of co-operation we have with provincial departments across this nation that we are sitting down on many occasions mulling over our problems.

Senator WALL: Mr. Barrett, let me put it into this simple context. Suppose today we made a recommendation, even if it is an ad hoc one, that in each province there should be picked out one or two municipalities or problem areas or communities or what have you, into which we should inject this approach on an experimental basis to see what would happen and to gain from it the kinds of benefits that ostensibly have accrued in the experiments that have been done in the United States. We can talk theoretically and see other people's pragmatic experiences but finally we have to say, "What is the decision we have to make?" I am just throwing all that out as an off-the-cuff suggestion that we might enter into one project area in a province or two and see what happens.

Dr. BOOTH: Mr. Chairman, I would like to comment on Senator Wall's observations. You made an excellent summary, Senator Wall, of just the way the program has developed in the different areas. Your review of it is a very accurate description of what took place with respect to sources of information and all that. We do have in Canada much the same kind of information in provincial Government records, in university experiences and records, in our own federal Government sources of information and even in the county records. When you set people to work in an area to inventory the resources of information and experience there, you find a tremendous amount of local material available which nobody knew about before, or which very few knew about it. You can bring all that information together, you can get people enthused as a result of that, and you can get them to see the problem and the possibilities when you go about it in that concerted way. That is what they have done, and that is what any rural community in this country could do if the incentive and inspiration were there.

Our hope is that your program over the next few months of study will bring to your committee persons who have some of these sources of information, particularly persons at the federal and provincial level, who are acquainted with programs already in operation and who can suggest how those programs

could be applied or modified, if need be, to support the kind of program you are thinking about and we have been describing. That is our understanding of your aims and ambitions, and I think it can be a very fruitful field of operation.

Senator GLADSTONE: Mr. Chairman, I would like to make a comment with respect to these reports based on experience in the United States. I was wondering whether it would not be possible for the Indian reserves throughout Canada to be included in any survey that may be made?

The CHAIRMAN: I can answer that question, Senator Gladstone. We intend to ask the minister charged with the responsibility of Indian affairs, or a representative of his department, to attend our committee and tell us what is being done and should be done in the development of Indian affairs in the rural development program field.

Senator GLADSTONE: That is what I am interested in. In view of the fact the Indian Affairs branch has already appointed a new official to head the economic part of the Reserves, it might be a good thing to invite him to visit us.

The CHAIRMAN: Honourable senators, I am sorry we will not be meeting next Thursday, as Mr. Rutherford is not able to be with us.

May I take this opportunity of commending these gentlemen who have been with us today and have given their reports in such an able manner. This gets us into the meat of the matter, and will enable us to eventually prepare a most useful report to the Senate.

Senator TAYLOR (*Westmorland*): Mr. Chairman, may I supplement your remarks by saying that if we do our job as well as these gentlemen have, there will be no cause for complaint.

Whereupon the committee adjourned.

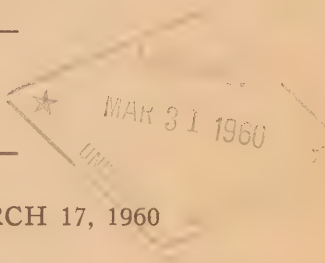
3rd Session, 24th Parliament, 1960

THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA

No. 3



THURSDAY, MARCH 17, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

WITNESS:

Professor Ralph R. Krueger, Ph. D., Chairman, Department of Geography,
Waterloo University College, Waterloo, Ontario.

APPENDIX "B"

Nine Maps of The Niagara Fruit Belt.

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Méthot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, March 17, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada, met this day at 11.00 a.m.

Present: The Honourable Senators: Bois, *Deputy Chairman:* Barbour, Basha, Boucher, Bradette, Cameron, Gladstone, Golding, Higgins, Inman, Leger, McDonald, McGrand, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt and Wall—20.

In attendance: Mr. Ralph A. Stutt, Special Consultant to the Committee.

Professor Ralph R. Krueger, Ph. D., Chairman, Department of Geography, Waterloo University College, Waterloo, Ontario, read a brief on The Niagara Fruit Belt.

The following Exhibits were filed and Ordered printed as Appendix "B" to today's proceedings:—

Figure 1: Fruit and Vegetables as Percentage of Occupied Farm Land, 1951.

Figure 2: The Niagara Fruit Belt, Orchard and Vineyard Area as Percentage of Total Area, 1954.

Figure 3: Percentage Distribution of Fruit Crops, 1951. The Niagara Fruit Belt.

Figure 4: Tender Fruit Climate (Winter temperatures only), Ontario Peninsula.

Figure 5: The Niagara Fruit Belt, Tender Fruit Soil.

Figure 6: Orchard Area as Percentage of Total Area, 1954.

Figure 7: The Niagara Fruit Belt, Vineyard Area as Percentage of Total Area.

Figure 8: The Niagara Fruit Belt, Built-Up Area in Detail, 1954.

Figure 9: The Niagara Fruit Belt, Suggested Future Land Uses.

At 12.30 p.m. the Committee adjourned to the call of the Chairman, tentatively set for Thursday, March 24, 1960, at 11.00 a.m.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE
SPECIAL COMMITTEE ON LAND USE IN CANADA
EVIDENCE

OTTAWA, Thursday, March 17, 1960.

The Special Committee on Land Use in Canada met this day at 11.00 a.m.
Senator Henri C. Bois in the Chair.

The DEPUTY CHAIRMAN: Honourable senators, it is a pleasure to have with us this morning Professor Ralph R. Krueger, Chairman, Department of Geography, Waterloo University College. His subject is "The Niagara Fruit Belt". We have heard of the problem that has been created in that area by the invasion of urban development. The Chairman, Senator Pearson, thought it would be illuminating as well as interesting to hear Professor Krueger on this subject.

Professor RALPH R. KRUEGER, Chairman, Department of Geography, Waterloo University College: Mr. Chairman, and honourable senators, I first became interested in the problem of urban expansion onto the Niagara fruitland in the summer of 1955 when I was employed by the Ontario Government as a member of a research team which undertook a land-use study of Louth Township, a municipality in the heart of the Niagara Fruit Belt.

I presume some of you have seen that report, which is commonly called the Louth Report. The reason I do not give you the full title is that I cannot remember it. Here is a copy of the report. It is entitled Factors Affecting Land Use in a Selected Area in Southern Ontario; a Land Use and Geographic Survey of Louth Township in Lincoln County by the Ontario Department of Agriculture, in consultation with Department of Geography, University of Western Ontario, Ontario Department of Planning and Development, Ontario Department of Municipal Affairs, Ontario Department of Highways. Louth Township is right in the middle of the Niagara Fruit Belt and the Ontario Government did an extensive land survey of that township and I was employed as one of the survey team.

Senator STAMBAUGH: Would that be around St. Catharines?

Prof. KRUEGER: Yes, just to the west of St. Catharines.

Senator TAYLOR (*Westmorland*): What year was this?

Prof. KRUEGER: In 1955 the study was begun, and the report was published in 1957.

Senator McDONALD: Professor Krueger, for the sake of those who have come in late, I wonder if you would mind telling us who you represent and what association you have, if any, with the Ontario Department of Agriculture.

Prof. KRUEGER: I am at present chairman of the Department of Geography at Waterloo University College, which is federated with the new University of Waterloo. As I have already said, some five years ago I first became

interested in this land use problem, when I was employed by the Ontario Government part time to work on this survey. Since that time I have been working on the land use problem in the Niagara fruit belt on my own, working on a doctoral dissertation, and for the past five years have been doing that work. The research findings will have been completed as a Ph.D. dissertation at Indiana university, and that dissertation is now in press and will be published by the Royal Canadian Institute in Toronto next month, so that my complete study including copies of all the maps and all the tables and statistics will be available at that time. I have no official connection with the Ontario Department of Agriculture, I am a free lance researcher; although I did work for them for two summers on this survey in Louth township.

Senator BRADETTE: You do not work for any corporation or institution?

Prof. KRUEGER: No; I am a university professor, and I am doing this research on my free time.

The Louth Report published by the Ontario Department of Agriculture in 1957 provided a detailed survey of soils, existing land uses, land use capabilities and urban encroachment trends in one township. However, it seemed to me that in order to make rational choices concerning the best use of land in the Niagara fruit belt, we needed to extend the inventory of existing land uses, and the classification of land for fruit growing potentialities to the entire fruit belt. We also needed to know how fast fruitland was being consumed by urban land uses, and whether there were other districts in Canada which could replace the lost production.

As I said before, this research will be in its completeness published by the Royal Canadian Institute in Toronto in April of this year.

Today I wish to bring to you merely a brief summary of my research findings and conclusions. I am sorry I did not have time to have them duplicated. It was only last week that Senator Pearson contacted me by phone, and by the time I had it written there was not time to have it duplicated, so it came hot off the press yesterday.

First, I wish to say something about land uses in the Niagara fruit belt.

The Niagara fruit belt as delimited on the basis of 1951 census statistics is composed of the row of townships bordering the south shore of Lake Ontario from Hamilton to the Niagara River, and a second tier of three townships at the eastern end of the peninsula. I shall hand around this Figure 1, which is a map showing ten townships, which I have delimited as the Niagara fruit belt.

Senator HIGGINS: Your lecture is on the Niagara fruit belt?

Prof. KRUEGER: Yes, on the Niagara fruit belt and the urban encroachment of the fruitland in the Niagara fruit belt. This was the subject that Senator Pearson asked me to come here and discuss.

Senator HIGGINS: Is the Niagara belt another term that it is known by?

Prof. KRUEGER: The Niagara fruit belt is the usual term for it.

Within this area, that is, the ten townships that are delimited, in Figure 1 that is being passed around, the most intensive fruit growing is found nearest to the lake and below the escarpment. There is a sharp escarpment which is indicated by this line, and north of the escarpment, between the escarpment and the lake, is where you find the most intensive fruit growing. The data for the maps, showing detailed land use patterns, has been taken from air photos, and there is a legend which indicates where the most intensive fruit growing is. The dark areas show where more fruit growing is, and the lighter areas show where less fruit growing is, while the white areas show where there is no fruit growing at all.

On this narrow lake plain is found some of the most intensive fruit growing found anywhere on the continent, that is, south of the escarpment, but here the predominant agricultural activity is still general farming with a dairy or beef specialty.

The two most important fruit crops in the whole fruit belt are grapes and peaches. Figure 3 indicates the percentage of each fruit crop to the total for each particular township, and one will see in this total circle that grapes compose 38 per cent, peaches 28 per cent, of the total fruit growing in the whole narrow fruit belt. This is according to 1951 census statistics.

Mr. STUTT: On what basis is that?

Prof. KRUEGER: On the basis of acreage.

Other fruit crops in order of acreage are: pears, plums, cherries, apples, and small fruits.

I wish to say a few words about climate and soils in this region.

In Ontario only the Kent-Essex area, that is, the extreme southwestern tip of south Ontario, has a climate which comes near being comparable to the Niagara fruit belt for tender fruit crops such as peaches. Figure 4 shows the tender fruit climate, as I have defined it, and tender fruit climate is the climate in which peaches in particular thrive. You will see that only in the Niagara fruit belt and down in the extreme southwestern corner of southern Ontario do we have a climate which can grow peaches at all. This map is based upon winter temperatures only.

Then there is the complicating fact of spring frost damage, and I will discuss that further.

Senator GOLDING: Do you say that is in the southwestern area of Ontario?

Prof. KRUEGER: Yes, southwestern Ontario; and there are two areas according to climatic statistics for winter temperatures which are favourable for the growing of peaches. One is the Niagara fruit belt, the other is the extreme southwest corner—Kent and Essex counties, down in the Leamington district, and down in Windsor.

Senator GOLDING: Yes, they have some in Lambton county.

Prof. KRUEGER: Yes, Lambton county; the southern edge of that county comes in on that.

Senator GOLDING: There are a lot of peaches there.

Prof. KRUEGER: That is right.

Senator McDONALD: They are now developing peaches of a hardier variety that can be grown in a cooler climate. For instance in the Cornwallis-Annapolis Valley they are growing quite a few peaches now, a crop that we did not know we could grow until the hardier variety of peach was developed.

Prof. KRUEGER: The difficulty in the Cornwallis-Annapolis area is that the growing season is not long enough in many of the years.

Senator McDONALD: But we are successfully growing some varieties of peaches there now.

Prof. KRUEGER: This is a long-range possibility, that gradually we will be able to develop varieties which will stand the more vigorous climates. But even if we continue at the rate we have for the last 20 or 30 years we are not going to break through in the near future to be able to compete with the climate of the extreme southwestern tip of southern Ontario or the Niagara fruit belt.

Senator TAYLOR (Westmorland): I agree with you on that.

Prof. KRUEGER: The probability of peach crop loss due to low winter temperatures is about equal in about both areas. In the Kent-Essex district

of southern Ontario, however, because Niagara peaches blossom later, being next to Lake Ontario, spring comes a little earlier in the Niagara region and therefore the blossoms of the Niagara peaches open later in the spring than they do in the Kent-Essex district. Therefore there is less chance of spring frost damage to blossoms in the Niagara fruit belt than there is in the Kent-Essex area because in the Kent-Essex area they blossom earlier and therefore there is more chance, more risk of frost.

Senator WALL: What is the difference in time, the time interval?

Prof. KRUEGER: About 10 days to two weeks.

The total probability of peach crop loss at St. Catharines is about two years out of thirty. At Vineland, it is about three years out of thirty. Both, St. Catharines and Vineland are in the heart of the Niagara fruit belt. In Leamington, which represents the Kent-Essex district, it is about five years in thirty. So the total probability of crop loss due to both winter low temperatures and spring frost is about two or three out of thirty in the Niagara fruit belt and about five out of thirty in the Kent-Essex district, the second best district.

Senator CAMERON: Mr. Chairman, it would be much clearer if the speaker would pinpoint these areas by naming the city or town lying closest. Some of us from other parts of Canada are not familiar with municipal boundaries of counties in this part of the country.

Prof. KRUEGER: I would say Leamington would represent the Kent-Essex area, St. Catharines the Niagara fruit belt. Do not hesitate to interrupt at any time if I am not making myself clear.

Senator TAYLOR (Norfolk): Have you any information on the Norfolk area? A lot of peaches are grown in that area. Have you any statistics on crop damage there?

Prof. KRUEGER: I do not have them in this paper but I do have them. They are somewhat higher—the risk of damage to the peach crops. Right along the lake there is a narrow strip where it is possible to grow peaches but it cannot be done inland—it is the lake that governs production in the area so that we can grow peaches around it.

Senator McDONALD: Do you know what the record is on peach crop loss in the Cornwallis-Annapolis Valley?

Prof. KRUEGER: No. There has been no record kept of that. I have a list of every peach grower in the Cornwallis-Annapolis Valley and I am in the process of sending them a questionnaire to find out how many crop losses they have had. I have not had any replies from any of these yet but this is something I intend to do and I am presently engaged in. I am doing a very intensive study of Canada's fruit crop resources from coast to coast taking into consideration soils and climate.

Senator STAMBAUGH: You will be studying British Columbia as well, then?

Prof. KRUEGER: Yes.

Senator McDONALD: I hope you can go down to the Cornwallis-Annapolis Valley next spring and see the apple blossoms there. You will see lots of room there to expand fruit development.

Prof. KRUEGER: I would very much like to see it.

In addition to climatic superiority, the Niagara fruit belt has large contiguous areas of good tender fruit soil. Well drained, light-textured soil, is the only kind of soil on which the tender fruit crops such as peaches and sweet cherries can be commercially grown, successfully. We found out in the Louth study, that peaches cannot stand wet feet, so you need not only a mild climate

but you have to have the right kind of soil. In the Niagara fruit belt we are fortunate in having large contiguous areas of the right kind of soil for growing peaches. In the Kent-Essex district around Leamington, the amount of soil suitable for growing peaches is more scattered, and in the province some of the larger areas with the right kind of soil do not have the right kind of climate, so you have to get somewhere where the two coincide.

Senator TAYLOR (*Norfolk*): Will you comment with regard to grapes grown in the Niagara area.

Prof. KRUEGER: I shall make mention of that later. Some people, even some of the Niagara fruit growers, labour under the misconception that the Niagara fruit belt is a little inferior to other parts of the continent for peach growing, particularly the United States south. I have written to every experimental station and every agricultural college in both Canada and the United States, and have asked them to estimate the possibility of fruit crop loss in their areas. While the Niagara fruit belt has a probability of having a peach crop loss in about two or three years in thirty, in the Kent-Essex area and the Okanagan Valley it is five in thirty, and in east Tennessee it is six in thirty. In one year in three, frost destroys peach crops in one or more of the fruit districts of the United States south. The reason for this is that the peaches blossom so much earlier in the United States south that there is much greater risk of frost. For instance, the peach blossoms will be now opening in Georgia, and the chance of having a frost after the end of February or beginning of March in Georgia are far greater than the chances of having a frost after the Niagara peaches blossom.

In addition to a greater frequency of peach crop loss, the Okanagan, British Columbia area and the Kent-Essex district around Leamington, have a much higher winter tree-kill rate. The Kent-Essex area lost approximately 20 per cent of its peach trees in the winter of 1958-59. The Okanagan had a severe tree loss in 1950 and again in 1955, and there is a possibility that a large number of trees were killed in the early field frost of 1959.

The Okanagan had a severe tree loss in 1960, again in 1955, and there is a possibility that a large number of trees were killed in the early fall freeze of 1959. The peach yield per year in the Okanagan Valley of British Columbia has decreased by some 20 to 30 per cent in the last decade. According to a Royal Commission report, the Okanagan fruit industry may decline in the next few years unless it receives Government support.

All of the United States horticulturalists admitted that there is no other area outside of California with a climate as favourable for peach growing as that found in the Niagara fruit belt. And according to recent reports we won't have to worry about competition from California very long. Urban expansion is looking after that.

One other thing. Have you ever tried to eat a peach from Georgia or California? I have! To get peaches up here without rotting you have to pick them as hard as bullets and as green as grass. However, when they are picked hard and green they never do ripen properly. You just don't get any flavour if you have to produce fresh fruit and transport it 1,000 or 2,000 miles.

Senator TURGEON: You mentioned the necessity of Government support for fruit growing in the Okanagan Valley. What nature of Government support have you in mind?

Prof. KRUEGER: I haven't any in mind, sir. I merely suggest what was the general conclusion of the Royal Commission report on the tree growing industry in British Columbia, which report came out last year. The report stated there had been so much loss because of frost in the past five or ten years, that the growers in the area will not be able to compete or to continue in business unless they get some support.

Senator TURGEON: Have you in mind purely financial support, or assistance in the nature of development?

Prof. KRUEGER: The support required would likely be financial, but what form it should take, I do not know, and I am not prepared to suggest. I believe Mr. McPhee in his Royal Commission report made certain concrete suggestions.

Senator McDONALD (*Kings*): Would not later blossoming varieties take care of that situation?

Prof. KRUEGER: This is one of the things they have attempted to develop and are developing with some success. But in the Okanagan Valley the trouble has been with the killing of fruit trees by the very early cold snaps they get in October and November before the trees have had a chance to harden. The trees have been killed at a very high rate. This is a most devastating loss because it means the growers lose not only one year's crop, but perhaps five years with the added problem of having to replace the orchard.

Senator McDONALD (*Kings*): That is before the sap goes down; the sap is still in the bark.

Prof. KRUEGER: Yes. They have had several such experiences within the past five to ten-year period; since 1950 they have experienced it three times, and this has been quite devastating to the industry.

There is considerable differentiation of climate and soils within the Niagara fruit belt itself. The winters on the lake plain below the escarpment are much more moderate than those above. Also the eastern end of the fruit belt has more moderate winter temperatures than the west.

Most of the tender fruit soil, that is peach soil, lies below the escarpment next to the lake where the climate is most moderate. I would refer to figure 5, where is indicated the light-textured well-drained soils on which peaches can be commercially grown. Fortunately, here the climate is most moderate right next to the lake, where we have large contiguous areas of this kind of soil.

It is interesting to compare the map, figure 5, with the map, figure 6, which shows the different intensities in fruit growing, the most intensive occurring on those blobs of tender fruit soil.

Senator TAYLOR (*Westmorland*): What area is shown down at the bottom of the map?

Prof. KRUEGER: This is a rather interesting area, Fonthill district, which is a huge sandy and gravelly soil with an excellent soil drainage, and as well an air drainage. The cool air runs down the hill, and there is less risk of frost damage there than in any of the surrounding areas. So, this is rapidly becoming an intensive fruit-growing area.

Mr. STUTT: What is the acreage there compared with the one to which you referred previously?

Prof. KRUEGER: There are about 7,500 acres there, with roughly 2,500 acres in fruit. So, there is still room for intensification, to which I shall refer later.

Senator CAMERON: Could you give us the total area of that tender fruit belt in acres?

Prof. KRUEGER: May I ask you to let that question stand for a moment and I will answer it later.

Senator CAMERON: Yes.

Prof. KRUEGER: By comparing the two maps, figure 5 with figure 6, one can see that orcharding is more intensive on the tender fruit soil.

Peaches, which can be commercially grown only on a well-drained, light-textured soil, are pushing the grapes, apples, pears, plums and sour cherries off the sandy tender fruit soil onto the clay soils. Vineyards are expanding rapidly on the clay soils both below and above the escarpment.

I now refer to the map figure 7, which I should have passed around earlier. This orcharding you will see most intensive on the tender fruit soils. Most of that orchard increase is for peaches.

My next figure indicates vineyards, and you will see that there is a difference here. The vineyards are grown in the clay soil just around the fringe of the fruit growing area. From a study of air photography—and I have mapped this in my complete study and from field work and interviews—we have found that peaches are pushing the other tree crops and grapes off the tender fruit soils; and grape growing is extending rapidly above the escarpment and back into the clay plains at the other part of the Niagara Peninsula. Grapes, pears, plums, apples and sour cherries do not require the same kind of soil. They will do well on our drained clay soil. The peaches and sweet cherries are the critical ones; they require not only the mildest climate, but they require also the best drained soil.

In summarizing agricultural land uses in the Niagara fruit belt, it is fair to state that here we have coincidence of soils and climate which make it one of the most valuable horticultural areas on the continent. Certainly no other area in Canada comes anywhere close to equalling the Niagara fruit belt for the growing of tender fruit crops such as peaches. There are other areas that can come close to equalling the Niagara fruit belt for production of grapes, apples, pears and plums, but for peaches and sweet cherries there is no other area in Canada which can compare.

The Niagara fruit belt contributes a large percentage of both Ontario and Canadian total fruit production. It accounts for approximately 80 per cent of the national grape acreage, 60 per cent of the peach acreage, and over 50 per cent of the plum, pear and cherry.

It has only a small proportion of the total apple acreage because apples are more hardy, and have been grown in many other areas of Canada.

The annual gross value of the Niagara fruit belt production is between \$10 and \$11 million, which is over 50 per cent of the Ontario total and 25 per cent of the national total. Niagara fresh fruit sales amount to approximately \$4 million annually. This is approximately one-fifth of the total value of Canadian fresh fruit consumption of the type grown in the Niagara region.

In addition, the fruit and vegetable processing industry based upon Niagara production has a plant investment of approximately \$14 million. The annual gross sales of the fruit and vegetable processing industry based on fruit production is worth \$26 million, and the annual wage and salary payments of the fruit and vegetable industry based on Niagara production is \$5 million. The gross sales of fruit and vegetable processing plants based on Niagara production represent approximately 20 per cent of the provincial total, and 13 per cent of the national total.

It would appear, then, that the Niagara belt is of considerable importance to the economy of the nation.

I now have a few comments to make about urban expansion in the area. Besides being uniquely endowed with the physical requirements for fruit growing the Niagara fruit belt is ideally located for industrial and urban development.

Between 1951 and 1956 the population of the Niagara fruit belt increased by 68,000. Of this number approximately 30,000 were rural non-farm people; that is, people with jobs in the city but who live in the country. This indicates a great deal of scattered urban sprawl type of development, and this can be illustrated by this map. Each one of the dots represents three

houses, so if you multiply the number of dots by three you will get a mental picture of the urban sprawl. Here is Hamilton, here is St. Catherines, and here is Niagara Falls, and there is a great deal of sprawl spreading out particularly over some of the choice fruit land areas.

Senator TAYLOR (*Westmorland*): Are those residential areas?

Prof. KRUEGER: Strictly residential.

Senator TAYLOR (*Westmorland*): Not industrial?

Prof. KRUEGER: If it was a huge industrial area it would be blocked in completely. The rest of them include individual dwellings, and each dot equals three dwellings.

The ACTING CHAIRMAN: Did you include the land that has been sold but which has not yet been developed?

Prof. KRUEGER: No, sir, and I will have some comments with respect to that.

Senator McDONALD (*Kings*): What proportion of the good land is there now?

Prof. KRUEGER: If you will wait I will answer that.

Between 1934 and 1954—and the reason for these specific years is because I had air photographs for both 1934 and 1954, and I did most of this work from 1955 on—a total of almost 12,000 acres was occupied in the Niagara fruit belt by urban land uses. Of this, 2,700 acres was tender fruit soil, the only type on which the major tree fruit crop of peaches can be grown profitably. Between 1951 and 1956, which is only a five-year period, there was a loss of 1,800 acres of fruit. Of this 1,600 acres produced peaches. The greatest losses take in a type of fruitland which is unequalled in quality anywhere on the continent.

There are several factors which make these losses more serious than they first appear—and this will answer your question, I think, Mr. Chairman. The actual figures given here are the actual areas occupied by urban land uses. But, this does not include many large areas of land in the path of urban expansion which lie idle, awaiting development. Nor do these figures indicate the loss of fruit production which results from subdivision of farms into smaller units which occurs around the cities. These farms, often operated on a part-time basis, are usually less productive per acre and constitute a source of disease and insect infection for surrounding orchards.

Also, there is a reluctance to plant orchards which take five years or more to mature when urban development is approaching. If a person has an orchard which should be replaced to keep up his optimum production he does not replace it if he knows that within the next five years he will be able to sell that land for high prices for urban usage.

High prices offered for land for urban uses, and increases in land taxes, encourage farmers to sell out, because every urban type home that is built in the country is a deficit to that rural municipality. An assessment on where a man lives and where he works combined will pay for the services he needs, but where you have a man living out in a rural municipality and working in the city then half of his assessment really belongs to the city, and when he lives in the rural area he needs more school services and, therefore, there have to be new schools which the farmers would not require. As the population grows he wants more street services, he wants the road dust-proofed, he wants police service, fire protection service and all of these things which the rural municipality does not need. The big real estate assessment belongs to the farmer, and the farmer's taxes have been increased by this urban encroachment out into the rural areas.

Often the land is sold to a speculator who either holds the land idle or leases it for a limited period. If it is left idle the land not only produces no crops but it becomes a source of disease and insects for surrounding fruit farms. If it is leased, productivity is reduced because a short-term lease gives no incentive for good farming practices which take a number of years to give results.

Thus, the real danger is not the area of fruitland occupied or to be occupied, but the total area of fruitland spoiled for fruit production because of the uncontrolled, haphazard manner in which premature subdivisions and individual houses are sprawling all over the fruit belt.

If the expected urban growth in the Niagara fruit belt was kept within compact areas there would be room for both cities and fruit growing. For instance, if Hamilton were to quadruple its area—that is, increase its area by four times which would mean, for those of you who are familiar with the area, taking in the townships of Barton and Saltfleet—and if all the other cities, towns and villages were to double their areas, and if this urban growth took place compactly around existing urban centres, the total loss of tender fruit soil would be 10,900 acres.

This hypothetical case would permit an urban population increase in the Niagara Fruit Belt of about 1 million. The present urban population is slightly over 300,000, so this would permit a total population in the Niagara Fruit Belt of 1,300,000 and still leave over 26,000 acres of the best tender fruit soil for fruit production. This amount of 26,000 acres of tender fruit soil is more than the present Niagara Fruit Belt acreage of peaches, sweet cherries, and small fruits combined. Of course, the tender fruit soil will never be used 100 per cent for tender fruit crops, but there is room for further intensification, and this intensification has been going on in the past. On the lake plain, peaches and sweet cherries will likely continue to replace grapes and the other tree crops. The Fonthill district above the Escarpment—that blob of soil I showed you on the soil map—has an area of well over 5,000 acres which could be put into tender fruit crops.

There is plenty of room in the Niagara Fruit Belt for expansion of grapes, apples, pears, plums, and sour cherries because these do not require as light textured soil.

I might add there is plenty of room for expansion of many of these crops in other areas of southern Ontario and Canada. The critical crop is peaches.

I suggest that the hypothetical case of urban growth proposed above be made the maximum urban expansion allowed in the Niagara Fruit Belt. That is, that we have a population growth of 1 million in the area which would quadruple the size of Hamilton and double the size of every other town and city in the Niagara Fruit Belt. I suggest that that be made the maximum urban expansion allowed there. This would eventually give us a land-use pattern as suggested in figure 9, which shows Hamilton, St. Catharines, Niagara Falls, with the various areas suggested for specific types of crops depending upon the soil capabilities of those particular regions.

I do not suggest that this is an ideal land-use pattern. I merely suggest that this may be the closest we can come to achieving the ideal land-use pattern in view of the present land uses and trends. This map is not intended to be an accurate land-use plan; it merely paints with a broad brush a picture of what the Niagara Fruit Belt could be like in the future. This suggested future land-use pattern has the following advantages:

- (i) It protects large areas of the best fruitland from urban encroachment. If the present trend toward optimum use of agricultural land continues, the Niagara Fruit Belt could produce about the same amount of fruit by 1980 as it does to-day, even if the suggested maximum

- urban expansion were achieved. There would also still be room for considerable dairying to supply the large adjacent urban market.
- (ii) It does not curtail industrial and urban expansion. It allows for urban expansion of 54,400 acres and a population increase of approximately 1,000,000. If this amount of urban development were to be achieved by 1980, it would mean that urban expansion in the next twenty years would have to take place at a rate three times as fast as between 1951 and 1956. By marking off whole townships for urban development (Barton and Saltfleet) I am not suggesting that these areas be solidly built-up. It may very well be desirable to have some green belts of agricultural land within these areas. However, if these areas are set aside for predominantly urban land uses, it may be possible to hold other land for predominantly agricultural land uses.
 - (iii) It implies orderly, compact urban growth. This would be a social and economic boon to both the urban and rural municipalities. Low density urban sprawl areas are socially inconvenient, are uneconomic to service, and make it impossible to develop the land in an orderly efficient manner in the future.
 - (iv) It places a maximum on the size of urban communities. I believe a city, or metropolitan area can become too large for its own good. And I might say I spent two years living in the metropolitan Detroit area.

There are many other areas in the Niagara Peninsula, outside of the Niagara Fruit Belt, which have excellent locations for industrial and urban development. The Preliminary Brief on the Welland Canal Area Port Development suggests six locations along the Welland Canal from the Escarpment to Lake Erie where port facilities might be developed economically without interfering with ship passage. Professor Whebell, in his study of industrial development of Haldimand County (M. A. Thesis, Department of Geography, U. W. O.), suggests that Haldimand has great potential as an industrial area. Not only would direction of urban development to other areas in the Niagara Peninsula keep the cities in the Fruit Belt down to a manageable size, but it would facilitate the preservation of the choice Niagara fruitland, and would be advantageous from a defence viewpoint.

In conclusion, it appears that we could have in the future a happy balance of land uses in the Niagara Fruit Belt. Present urban development could be tripled without seriously reducing fruit production if the urban growth took place in an orderly, compact manner. Since well planned urban growth is of economic advantage to both the urban and rural municipalities and since the Niagara Fruit Belt is the most valuable fruit growing area in all of Canada—some of you may want to debate this—it truly seems that here “we can have our cake and eat it too”.

But only if wise land-use planning of the whole Fruit Belt comes in time. In my opinion the Niagara Fruit Belt will disappear as a major fruit growing area in about 20 years time unless the entire Fruit Belt is organized as one planning area under a board, whose duty would be to draft and implement an official land-use plan for the whole area. (An alternative might be to place the entire Niagara Peninsula under several planning authorities co-operating closely under some regional development scheme.) The Province of Ontario has sufficient planning legislation to make such action possible. If the Niagara municipalities co-operate in establishing a regional planning area, then they will be able to direct urban growth to the desired areas by provision of services; they will be able to control the location, design, and

quality of housing subdivisions; they will be able to prevent the unsightly and costly ribbon development along highways and other forms of urban sprawl which is destroying fruitland.

If the municipalities do not take the initiative, the planning of the Niagara region will continue in a piece-meal fashion with a dozen municipal councils and hundreds of land speculators, realtors, and subdivision contractors, deciding individually, without consultation, on the nature of land-use development. In the Niagara Fruit Belt, a lack of regional land-use planning is not only going to create a huge sprawling conurbation undesirable to live in and uneconomic to administer, but is also going to destroy one of the most valuable areas of horticultural land on this continent.

If the present urban sprawl tendencies continue in the future, I predict that the Niagara region will disappear as a major fruit growing district by about 1980. By this time the Canadian population will probably be doubled and cities and towns will be cutting serious inroads into the prime horticultural land in other parts of Southwestern Ontario. In fact, if the present trends continue, by the turn of the century there is likely to be a broad urban belt extending continuously from the Golden Horseshoe around the western end of Lake Ontario right across the province to Windsor. This belt will consist of low density urban sprawl with houses, factories, service stations and bill boards scattered all over the countryside. Thousands of acres will be consumed; tens of thousands of acres will be ruined for agricultural purposes by a combination of subdivision of farms into sub-economic units, real estate speculation, high land prices, and soaring taxes.

At the same time as our agricultural resources are being reduced, our demand for food, and particularly fruits and vegetables, is rising rapidly. If the rate of population growth experience in the Golden Horseshoe between 1951 and 1956 continues, this area alone will have a population of close to five million by 1980. This would mean a doubling of the fruit market in the highly urbanized area immediately adjacent to the Niagara Fruit Belt. In addition, the Niagara Fruit Belt partially supplies the fresh fruit market of the rest of Southern Ontario and the Montreal-Quebec City area, both of which have rapidly growing populations. Thus, it would appear that the occasional unsaleable fruit surplus in bumper crop years is a temporary condition. In fact, even if the Niagara Fruit Belt can hold its own against urban encroachment, it will not be long before the domestic demand for fruit will be greater than the Niagara Fruit Belt and all the other fruit districts combined will be able to supply.

The destruction of valuable fruitland by urban sprawl in the face of a rapidly increasing population presents a bleak picture. But the picture need not be bleak. There is room in our country for both urban development and agricultural production if we put into practice the concept of regional land-use planning. As a prerequisite for regional planning we need a thorough inventory of our existing land uses, of the land-use capabilities of soils for specific crops, and of the prime locations for specific urban uses. The workable planning unit may be the county, or it may be a group of counties. In each region the best industrial land should be reserved for industry, the most attractive residential land reserved for housing, and the most productive land reserved for agriculture. In the case of a conflict among these uses, a rational decision should be made on the basis of greatest benefit to the whole region. With urban land uses contained within compact areas, there would be ample space for both cities and farms.

It may be true that man's instinct prompts him to compete for his place in the community, but it is also true that his intellect and ethics should impel him to co-operate with his neighbour so that there will be something left for which to compete.

That is my brief.

The DEPUTY CHAIRMAN: Thank you very much, Professor Krueger. Your paper is easily one of the best we have received so far, and it deals with a somewhat complicated problem of land use. The same problem does not exist everywhere. The general problem we have to deal with is of land that is used without any apparent program. There is no order in that. It becomes a complicated problem to determine how land can best be used.

Are there any questions?

Senator TAYLOR (*Westmorland*): First of all, I want to compliment Professor Krueger on his wonderful paper. As a matter of fact, I agree all the way down the line with him. What is your solution, Professor Krueger, as to how we could get started with a plan?

Senator McDONALD (*Kings*): And has it been done anywhere else, professor?

Prof. KRUEGER: This, of course, is the difficult problem, and I have been doing my part, I feel, by doing some of the basic research that one needs to have before he can attack the problem. When I went in to the Niagara fruit belt I was amazed when I discovered they did not know how much fruitland they had, where it was, where the best soils were or, how often it was being consumed. They do not take stock. So that first of all I feel we need a national inventory of our fruit-growing resources for each specific crop, and this is one of the things I am engaged in now.

Senator McDONALD: That is very necessary.

Prof. KRUEGER: I think this is the only business, this business of resources that I know of, where people do not take stock. We do not know what we have. We do not know what the potential is, and whether there is going to be enough to go around, and we do not bother to find out. I think this is one thing we need. We need detailed soil capability classifications, for instance, and we need existing land use maps so that we know what we have. It is not good enough to drive through the countryside and say that there are some trees there, and some soya beans there. You have to get it on the map, and you have to be far enough away to see the woods. I think this is one of the prerequisites.

The other is more difficult of course, because resources is a provincial matter, and this is a matter for provinces and their municipalities to work out. But my suggestion is that we expand our general framework of government, perhaps, to the county, or organize, say, in Ontario, at least—I am talking about Ontario because I am most familiar with that province—county planning regions, instead of having as we have now, even in Kitchener, a planning board for Kitchener, another for Waterloo, and then another suburban planning board, with not one of them knowing what the other fellow is doing. In the Detroit area I saw 40 different political entities, all with their pride that they were a separate city trying to plan, yet trying to plan what is basically one region. We need to get the regional concept, and perhaps the county unit is it, I am not sure, and then plan not only urban land uses, but agricultural land uses in the whole county region. Then you save your agricultural land by merely instituting sound urban land use practices; because if you plan your cities properly and direct the growth in certain directions, and keep it compact, and limit this sprawl all over the countryside, you automatically save your fruitland or whatever it happens to be. The farmers will see that the best land is used for fruit, and

whether it is the best land for peaches, for instance, or not. They found out that long ago; they are using it, and they have shoved the crops over on to the clay, because they find the clay will grow crops. So what we need is regional land use planning rather than this piecemeal planning city by city, town by town, or township by township.

Senator McDONALD: Do you know if such planning has been tried in California, or Florida.

Prof. KRUEGER: Yes, they have tried it in California and with mild success in some areas. In Ontario, Hamilton-Wentworth has a planning board over the Hamilton-Wentworth area. The trend seems to be—and we are having several municipal board hearings in Ontario at the present time—towards expanding the regional planning activities. London, Ontario, for instance, wants to annex huge areas of agricultural land. The county came up with a counter-proposal to let the county take over the land use planning of the whole region, including the cities and the rural areas.

Senator McDONALD: Why have the results not been more successful in California then? I understood you to say earlier today that in the near future growing peaches will likely be a thing of the past unless some regional planning is done very soon.

Prof. KRUEGER: Good land use planning depends on the fortitude of the people at the grass roots level. It has to be expressed politically; the people have to be willing to support a Government, be it federal or municipal, which attempts to organize some kind of regional planning. In Ontario the Planning Act gives the minister the right to delimit a planning region and to say this should be a planning region, where he thinks it would be in the interests of the whole area to be under one planning board. However, he does not exercise this right. He waits until a group of communities get together and ask him to delimit a regional planning area. I think we as teachers and professional people have to get through to the people first, to educate them, to get them to realize this is their salvation and then it will be expressed politically.

Senator McDONALD: But before we get around to doing these things the countryside will have developed into urban districts, just like what is happening in the Niagara district. The plan that you showed us, and which you suggest has possibilities, but I suppose it has been left to chance so long that all through this remaining district here there are residential districts and perhaps the odd industry now located.

Prof. KRUEGER: It is still very scattered and I suggest in that area that there is still time, but ten years from now there may not be time.

Senator GOLDING: Would the Government have to take over all these areas? If you own a farm on which you received a very high offer, an offer which you will probably never get again, the temptation of course is to accept it. Now, to prevent that, would the Government take the farm over or say to you that you cannot sell your property for that price?

Prof. KRUEGER: If we had urban planning in the first place so that the growth would be directed in certain directions and within certain areas, such development would not be permitted to scatter all across the countryside. For instance, if you were living 25 miles from the city you would not receive that offer in the first place.

Mr. STUTT: You mean that certain uses of land would be prohibited?

Prof. KRUEGER: That is it. They merely say this is a rural area and there won't be any urban development in this area.

The DEFUTY CHAIRMAN: That is where the fun would begin.

Senator TAYLOR (*Westmorland*): Mr. Chairman, that is the very thing that is taking place today in the areas surrounding our cities and towns. Town planning commissions have not run into the difficulty that they are bound to run into if the Government were to go in and set up such a plan as we suggest. But this is a broad general plan that I think no government would want to step in and take the responsibility for, saying that this must be thus and so and that must be thus and so, without the agreement and approval of the people living in that particular area. That brings up the point of areas in the United States that have been investigated by the Department officials last year, where commissions or boards were set up composed of men of industry, labour, bankers, professional people and the rest, to study the whole plan, to see what is taking place in their particular area, and then agreeing along with farmers themselves, and I think there are enough good farmers who recognize that the soil is worth so much. I know there are a lot of them who would say I would let my farm go for \$2,000 or \$3,000 an acre, but there are still a lot of farmers who do not want that to happen. I believe that if you were to gather groups of such men together they could see these things, and if presented to them they would know what is taking place and could take steps to prevent haphazard development, and shut these particular areas out from it. I believe that procedure could be developed, and then the Government would come in and would be very glad to do so.

Senator McGRAND: This is a municipal and a provincial problem in which the federal Government has no particular jurisdiction at the present time. I would like to ask if anything has been done at the municipal-provincial level towards setting up a plan of study. All you need to do is answer yes or no to that.

Then there is one other question: How does the Niagara peninsula compare as a fruit growing area to Ohio, which is south of the Great Lakes?

Prof. KRUEGER: I will answer your second question first: It is approximately the same, but far more intensively developed and it does have for some strange reason, larger areas of the peach soil, and so you do not find as many peaches in Ohio south of the lake. That has become more of a grape area. But I would say it compares equally and if you look at a map of the fruit growing areas in the Great Lakes area you will find they are all on the south or southeast side of the lakes. The cold air masses are moderated as they pass over the water. But I would say it is at least equal to these areas.

In answer to your first question: The Ontario Government is concerned and they did instigate this very detailed survey of one particular township in the fruit belt. Since that time—and I believe I am getting out of my field here, my field is geographic research—they have taken no definite step, but the legislation is there, so that if the group of municipalities wanted to get together they could ask the provincial Government to set up a regional planning area. There may be something come out of that, but at the present time St. Catharines is attempting to annex a large area of land in the township, and even outside the township that it is located in.

Perhaps I should refer to the large map of soils to indicate the area to which I am referring. You will note that the Welland Canal acts as a barrier to urban expansion into Niagara township, because there are not enough bridges over the canal and there is difficulty getting sewers and water across the canal. So Niagara township has been pretty well saved. Also, the Queen Elizabeth highway cuts off Niagara township, as does the Canadian National Railway. Now with a new Queen Elizabeth highway bridge, which is going to cross the Welland Canal, this will open up the area for urban development, and St. Catharines is to annex that portion of the township.

Niagara township is countering with another move. I do not know that this matter has been made public yet, but they wish to annex as far as the Welland Canal, and this area would be put into rural agricultural use. Niagara township says, since it is not interested in urban land use, it should be allowed to annex the area.

In the process of the hearing before the Ontario Municipal Board all the problems of the Niagara fruit growing belt will be brought to light. Various suggestions will be made by interested parties, including myself, town planners, geographers and municipal leaders in the area. Out of this public hearing may come some solution to many of these problems.

Senator SMITH (*Kamloops*): Professor, you refer to the tendency of owners to fail to improve land where there has been frost and other damage, and that the land then becomes a harbour for disease and insects. My question is, are there any regulations to compel such owners to control dangers such as insects and disease, or are they permitted to let the land lie idle in the hope that at some date it will command a good industrial price? In other words, is there any penalty for allowing land to lie vacant in that way?

Prof. KRUEGER: I really do not know the answer, but I suspect there would be; one of the problems is no doubt enforcement.

Senator TAYLOR (*Westmorland*): I think there are regulations applying to certain plant diseases. I know in the province of New Brunswick the authorities require the owners to keep the land clean, or they will do it for him and it will be a cost on the property. That applies only to certain plant diseases.

Senator McDONALD (*Kings*): Like the apple maggot.

The ACTING CHAIRMAN: And applies also to weeds. It has to do also with the spraying of fruit trees, and the effect of poisonous spray on bees.

Senator McDONALD (*Kings*): Trees affected by the apple maggot have to be sprayed each year, or taken out.

Senator GOLDING: In the area from which I come the fruit grower who keeps his orchard clean suffers from conditions in the orchards around him which are not sprayed. I do not believe they are forced to do spraying in order to protect their neighbours. Many apple growers in my district have spoken to me about the situation where orchards were being neglected.

Senator McDONALD (*Kings*): You probably do not have an apple maggot control board, or something of that nature such as we have in the Cornwallis Valley.

Senator GOLDING: One grower who has told me that unless these other owners are compelled to do something, his efforts are useless.

Senator BARBOUR: Professor Krueger, you are dealing with a rich area and not a depressed area. Is it not very much more difficult to make arrangements in a rich area than in a depressed area? It seems to me the people who have to deal with the problems are the municipalities and the provincial Government. They are the only ones who could act. It is, of course, very nice for them to have the information you have prepared, and the suggestions as to how they should do it, but after all they are the people who must act.

Senator BRADLEY: Mr. Chairman, may I make a statement? The professor has mentioned the limited success of the fruit growing land in California. I have read several articles about that matter, and am interested in agriculture in northern Ontario. It seems to me the blame for lack of success lies in too much lobbying. And there has been some lobbying in Ontario.

I have heard rumours, and I read an article recently—I am not talking politics now—criticizing the province for not giving a strong enough lead

than it has given and is giving at the present time on these matters. This committee is up against a difficult problem. For instance, I had a report prepared by some agriculturists in my own district, at some cost, and it never was presented here.

So you see, Mr. Chairman, there is a conflict between provincial and federal authority. Whether that problem exists in Ontario, I do not know. We all know that some land was sold recently that belonged to the former Premier of Ontario, Mr. Henry; that was a very nice piece of land in the suburbs of Toronto, and we are told that it sold for something more than \$1 million. Now, that is very nice for the people who have benefited financially from it, but I believe something drastic has to be done. We are helpless here. We have listened to a marvelous brief, and if it receives the publicity it deserves it may help to awaken the public of the province of Ontario.

Senator McGRAND: May I say, it won't interest the public half as much as if it advocated greater social security.

Senator GOLDING: Professor Krueger is to be congratulated for the discussion he has prompted here today, and for the research and study he has put on this whole question.

Senator CAMERON: Mr. Chairman, I have two questions. First let me support what Senator Golding has said, that this is one of the finest presentations we have had.

It is suggested that there is legislation within the province of Ontario which would permit them to extend the planning. Does that legislation envisage a provincial land use planning board? I would suspect such a board would be necessary, and should be co-ordinated with the regional planning boards.

My second point is: No Government will act unless there is a great public clamour for action, and action of this kind can only come through education. The kind of information you have given us this morning is vitally important. What use is being made of the extension agencies and the district agriculturalists or the county agents, or whatever you call them, to disseminate this information? This should be gotten out to the people—gotten out to the urban people as well as the rural people. I have two questions. Is there any provision in provincial planning for telling the people what plans are being made, and what efforts are being made to make this information available to the people?

Prof. KRUEGER: Well, there is, of course, a branch of the Ontario Government called the Community Planning Branch, and there is also the Department of Municipal Affairs. All planning of any municipality in Ontario has to go to Toronto first to be okayed. I am on the Planning Board in Kitchener, and when we decide to have some new subdivision go in, and we want to zone an area for that use, after we have okayed the design it has then to go to Toronto to be okayed by them. So, we have, in fact, that kind of supervisory body in Ontario.

What was the second portion of your question?

Senator CAMERON: What effective steps have been taken to get this kind of information out to both the urban and rural people through the extension agencies?

Prof. KRUEGER: The extension agencies of the Department of Agriculture?

Senator CAMERON: Yes.

The DEPUTY CHAIRMAN: Any agency.

Senator McGRAND: Is there a pressure group for this sort of thing?

Senator TAYLOR (*Westmorland*): I do think that our extension men in the field from the Department of Agriculture who are most keenly interested in the whole community are the men to see that this information gets out to the people.

Prof. KRUEGER: I might say in answer to this that this winter I have been invited by the Agricultural Institute of Canada to speak twice—once to the Niagara Branch, and I still have to go to the Hamilton Branch. I was asked to speak to the Elgin and Middlesex County Fruit Growers' Association at St. Thomas. The Ontario Council of Conservation has been pressing this kind of thing. I have had an article published in the Canadian Geographical Journal which more or less sums up the things I have stated today. The Ontario Council of Conservation bought all the surplus copies of this and distributed them throughout the province. Whenever I give a paper I have it mimeographed and I spread it around. I have had a dozen or more people write into me for copies in the last while. Summaries of my speeches have been printed in newspaper releases, and that kind of thing. Generally speaking, there is no official propaganda, but from my own point of view I have initiated some kind of propaganda.

Senator SMITH (*Kamloops*): What issue of the Journal is that?

Prof. KRUEGER: The issue of April, 1959. I will leave this with you. I am leaving also a copy of the paper I have delivered, if it is of any use to you, and I will also leave a copy of the Louth Report. The complete results of my research will be published by the Royal Canadian Institute, and I believe there will be some 400 or 500 extra copies available for distribution.

Senator TAYLOR (*Westmorland*): Before this meeting breaks up I would like to express my own feelings in this regard because I am very interested in this matter. I think this approach to the subject is unique, and this gentleman may go down as the originator of the conservation of rural resources which we need so badly in this country. Knowing the rural people in my province as well as I do it seems to me that there must be some leadership given to them to do this, and I am going to repeat that I believe this national government here in Ottawa—I am not talking about any particular government, but the national government—should pass a resolution with respect to resource development in Canada, and the results can be used by any province or by any municipality. Of course, it would be permissive. They would not go out on their own and say: "We are going to do this, and we are going to do that", but there should be leadership, with assistance if necessary.

Prof. KRUEGER: May I say one word further, that the national government can do it, and is doing something through the Geographic Branch of the Department of Mines and Technical Surveys. There is the national inventory of our resources which I think might be extended. This does not conflict with any provincial rights. The provinces may either use it or ignore it, but we should, at least, have an inventory of what we have.

Senator TAYLOR (*Westmorland*): I think others have gone on record with respect to that, but where do we go from here?

The ACTING CHAIRMAN: We have not finished the trip yet.

Senator TAYLOR (*Westmorland*): I would like to move a very, very hearty vote of thanks to Professor Krueger.

Senator McDONALD (*Kings*): I will second that.

Whereupon the committee adjourned.

FIGURE 1
BRIEF TO SENATE LAND-USE COMMITTEE
KRUEGER DEPARTMENT OF GEOGRAPHY,
WATERLOO UNIVERSITY COLLEGE

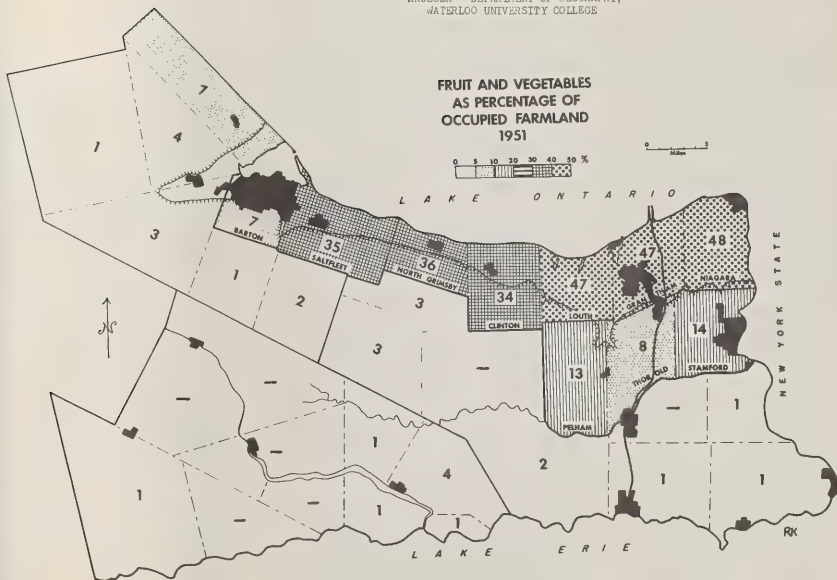
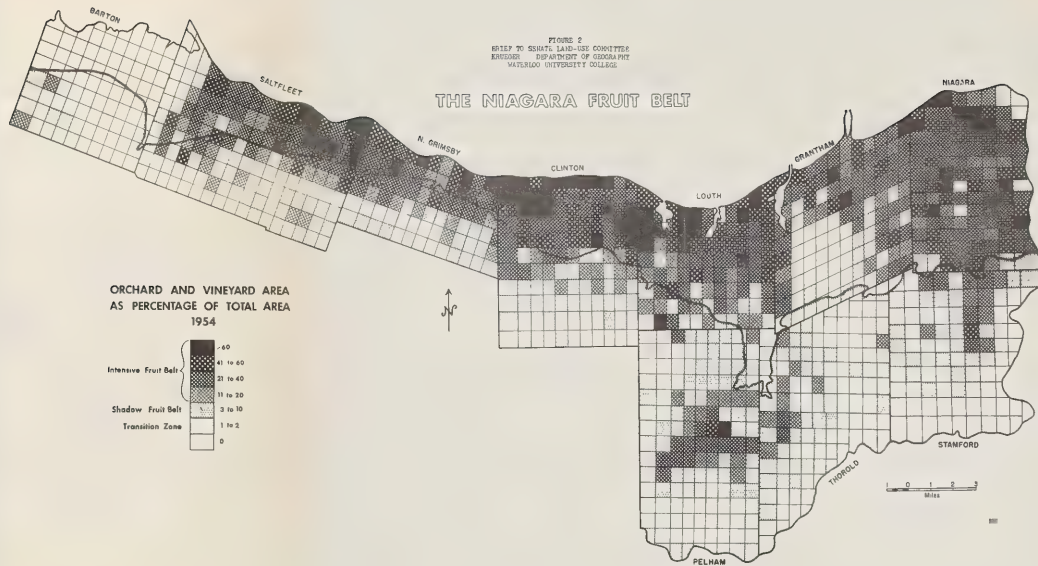


FIGURE 2
BRIEF TO SENATE LAND-USE COMMITTEE
KRUGGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE



PERCENTAGE DISTRIBUTION OF FRUIT CROPS 1951

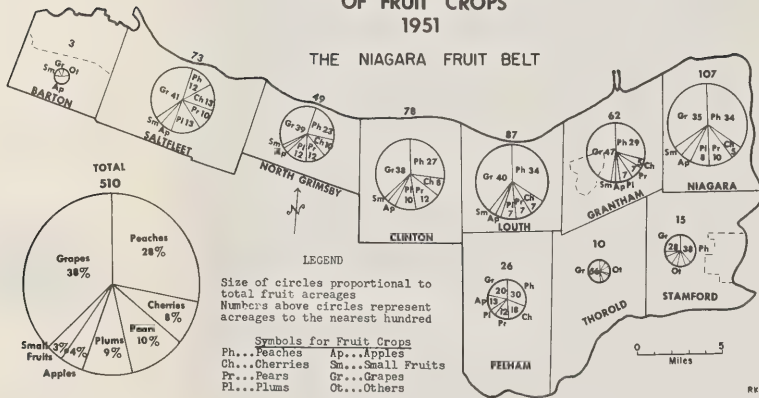


FIGURE 4
BRIEF TO SENATE LAND-USE COMMITTEE
KRUEGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE

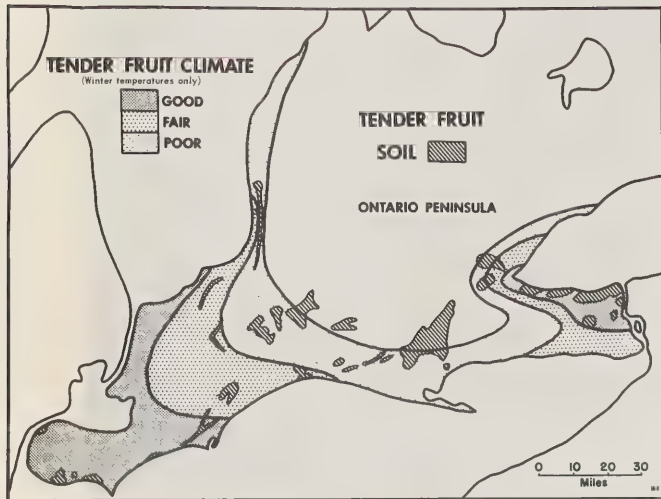


FIGURE 5
BRIEF TO SENATE LAND-USE COMMITTEE
KRUEGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE

THE NIAGARA FRUIT BELT

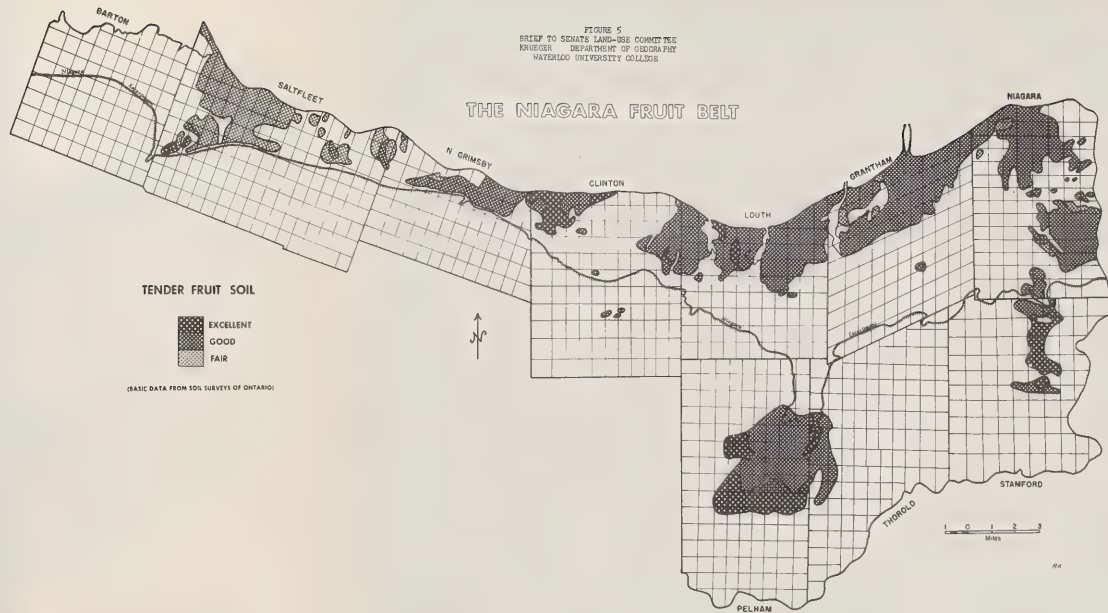


FIGURE 6
BRIEF TO SENATE LAND-USE COMMITTEE
KRUEGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE

THE NIAGARA FRUIT BELT

ORCHARD AREA
AS PERCENTAGE OF TOTAL AREA
1954

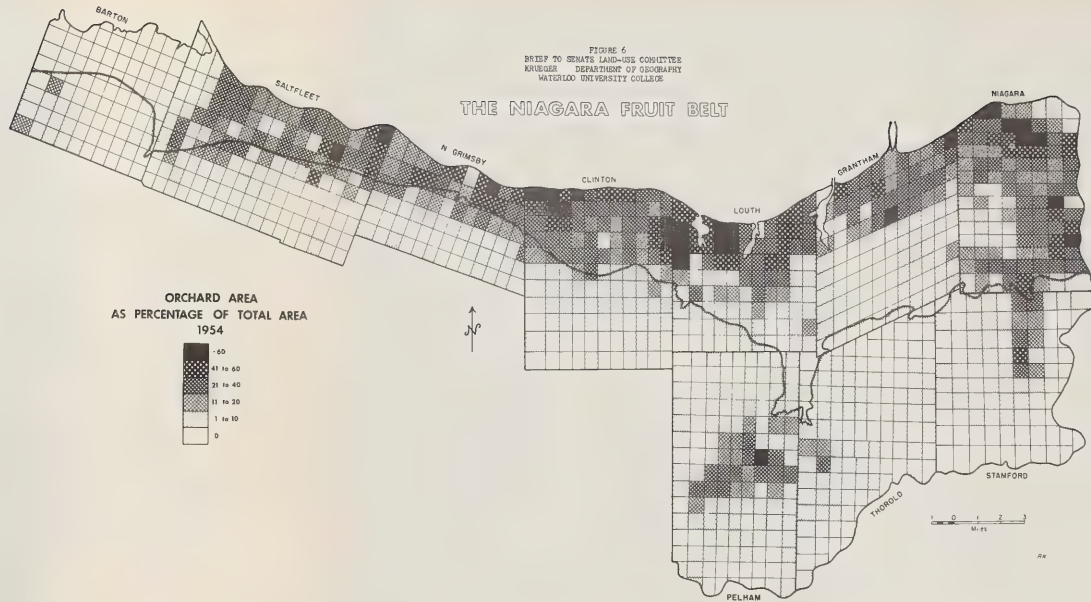
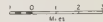


FIGURE 7
BRIEF TO SENATE LAND-USE COMMITTEE
KRUEGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE

THE NIAGARA FRUIT BELT

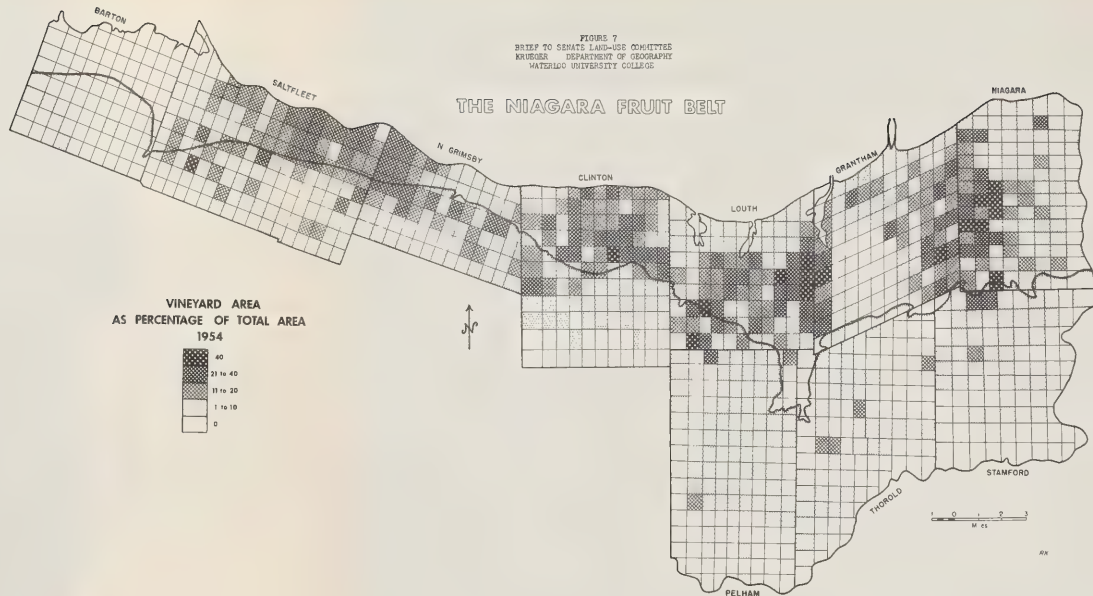


FIGURE 8
BRIEF TO SENATE LAND-USE COMMITTEE
KRUEGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE

THE NIAGARA FRUIT BELT

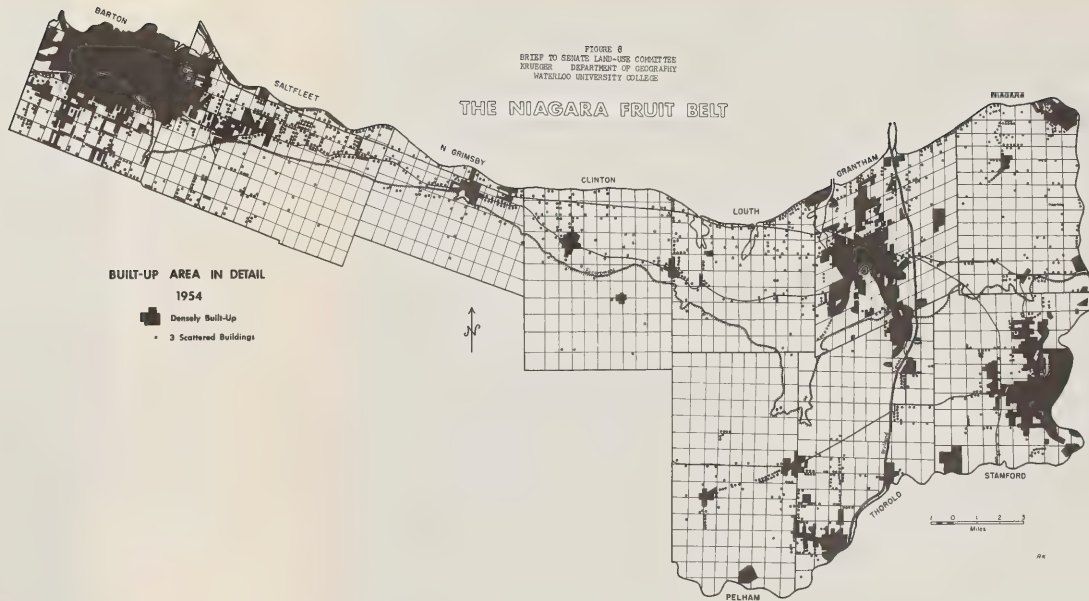
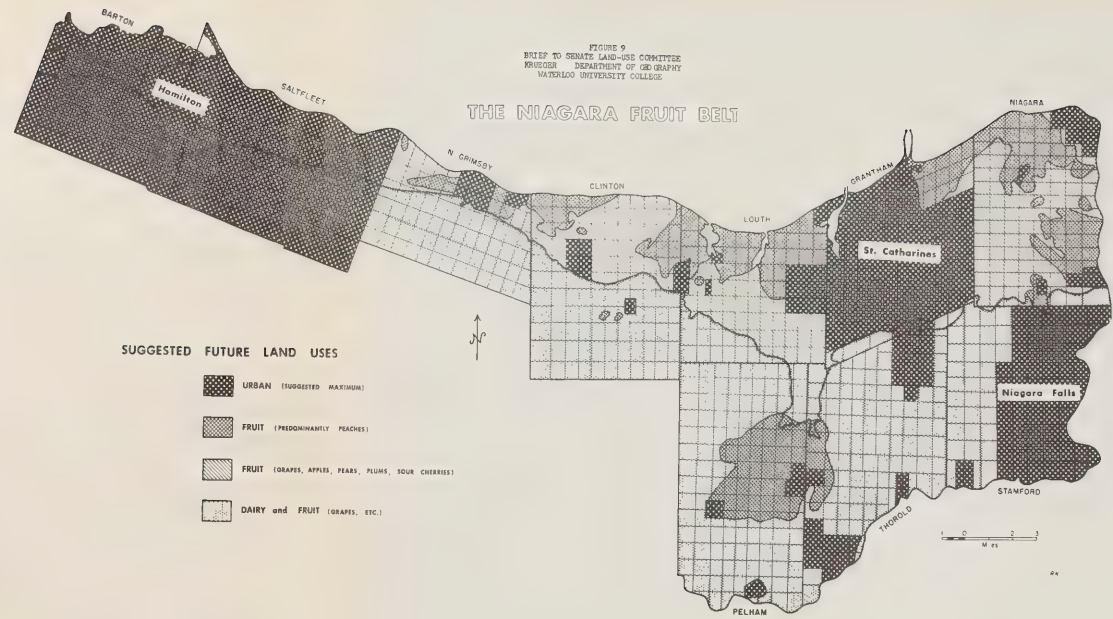


FIGURE 9
BRIEF TO SENATE LAND-USE COMMITTEE
KRUGER DEPARTMENT OF GEOGRAPHY
WATERLOO UNIVERSITY COLLEGE

THE NIAGARA FRUIT BELT



SUGGESTED FUTURE LAND USES

- URBAN (SUGGESTED MAXIMUM)
- FRUIT (PREDOMINANTLY PEACHES)
- FRUIT (GRAPES, APPLES, PEARS, PLUMS, SOUR CHERRIES)
- DAIRY and FRUIT (GRAPES, ETC.)

3rd Session, 24th Parliament, 1960
THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA

No. 4

THURSDAY, MARCH 24, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

WITNESSES:

The Honourable Alvin Hamilton, P.C., Minister, and Mr. E. A. Coté,
Assistant Deputy Minister, Department of Northern Affairs and
National Resources.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Methot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vallaincourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, March 24, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada met this day at 11.00 a.m.

Present: The Honourable Senators:—Bois, *Deputy Chairman*; Barbour, Basha, Boucher, Bradette, Gladstone, Golding, Higgins, Horner, Inman, Leonard, MacDonald, McGrand, Smith (*Kamloops*), Taylor (*Norfolk*), Taylor (*Westmorland*), and Wall.—17.

In attendance: Mr. Ralph A. Stutt, Special Consultant to the Committee, Dr. J. D. B. Harrison, Director, Forestry Branch, Department of Northern Affairs and National Resources, and Dr. B. H. Kristjanson, Secretary, Resources For Tomorrow Conference.

The Honourable Alvin Hamilton, P.C., and Mr. E. A. Cote, Assistant Deputy Minister, Department of Northern Affairs and National Resources, were heard with respect to the conservation of Canada's Natural Resources.

At 12.45 P.M. the Committee adjourned to the call of the Chairman, tentatively set for Thursday, March 31, 1960.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE

SPECIAL COMMITTEE ON LAND USE IN CANADA

EVIDENCE

OTTAWA, Thursday, March 24, 1960.

The Special Committee on Land Use in Canada met this day at 11.00 a.m. Senator Henri C. Bois in the Chair.

The DEPUTY CHAIRMAN: Honourable senators, I am told that the Honourable Mr. Hamilton, the minister, is attending a Cabinet meeting; so I think that we could wait a few minutes, until he can get out.

The CLERK OF THE COMMITTEE: There is one announcement that I would like to make, Mr. Chairman. There is a small correction in Proceedings No. 3, page 131. At the bottom of the page there is a statement credited to Senator Bradley which was made by Senator Bradette.

Senator BRADETTE: I am satisfied to leave that as "Mr. Bradley" for awhile.

The CLERK OF THE COMMITTEE: This correction will appear in the next printed proceedings.

The DEPUTY CHAIRMAN: While we are waiting for the honourable minister, would you be willing, as has been suggested by the Assistant Deputy Minister, Mr. E. A. Côté, to take knowledge in a general way of the work that has been conducted along the line of the conservation of natural resources? I understand Mr. Côté is ready to begin, and will stop short upon the minute of the minister's arrival and then we will hear the honourable minister. Is that all right?

Some hon. SENATORS: Yes.

The DEPUTY CHAIRMAN: Mr. Côté will give us a general statement as to the policy of the Department on the matter of conservation of natural resources.

Mr. E. A. CÔTÉ, Assistant Deputy Minister, Northern Affairs and National Resources Department: Mr. Chairman, the Department of Northern Affairs and National Resources has been the inheritor of a large number of functions of the former Department of the Interior. So far as the natural resources side is concerned, the national resources dealt with by the Department are: forestry, water, national parks, Canadian wild life service, and other items which seem to be unrelated but are part of this question, namely, the Canadian Travel Bureau and the National Museum. This is the general framework of the Department so far as national resources are concerned.

On the question of the conservation aspects of national resources,—I see that the minister has arrived, Mr. Chairman, and I think that he might wish to give you at this time a general statement on the work which is being done in advance of the "Resources for Tomorrow" conference on conservation.

The Deputy CHAIRMAN: Now that the Honourable Mr. Hamilton is here, may I in your name offer him a special welcome in this committee room. Northern Affairs and National Resources have a very close link with agriculture, because we cannot see how we can work properly and in an orderly way to develop national resources if we do not take into account agriculture. I

understand that the Honourable Mr. Hamilton is going to speak about the conservation of our national resources, mainly; and without any further ado I invite him to address us.

Honourable ALVIN HAMILTON, Minister of Northern Affairs and National Resources: Thanks very much, Mr. Chairman.

I am very pleased to get this invitation to speak to your committee, for several reasons. The first reason is that over the last half century people of knowledge have been concerned about the way our resources have been exploited without too much thinking ahead for the future. Now, since the turn of the century, in President Theodore Roosevelt's day, there has been a good deal of material put forward by those whom you may call the intelligentsia in the United States and Canada emphasizing the necessity of some forward look on our use of resources in our respective countries.

In North America we have been plagued by the myth that our resources are unlimited. This came about naturally, because the settlers on this continent saw the tremendous size of the country, looked at the tremendous amount of resources there, and naturally, to them, the resources seemed unlimited. This myth has been exploded rather brutally in the past decade or so, and I think much of the credit for that explosion goes to the gentlemen who wrote the Paley Report in the United States. This was a report requested by the President of the United States during the war, when leaders of the United States administration became alarmed at the rapid depletion of what had hitherto been thought were the unlimited resources of the United States of America. This Paley Report stated in general terms that the United States was not a surplus resource country, but was already—the report was published in 1952—a deficitary country in the matter of resources, and was at that moment, in 1952, required to import a sizable percentage of its raw materials to enable its industrial machine to keep going. It concluded that by 1980 the United States will have to import 20 per cent of the raw materials to feed its factories.

This report, of course, was a great shock to the American people, and it served as a warning to those of us in Canada who were suffering from the same myth, the myth that we too had unlimited resources. I say that you cannot blame people for having this myth in their minds. But the Paley Report went on to recommend that the American people, both those privately occupied and, I suppose, those in semi-governmental activities, should look abroad to reserve for the future the resources that could be made available to the American productive machine; and no one blames them for that. That is the original course of action, and for any country that is facing a deficit of raw material, this is not a new thing. It is a way of life of countries like the United Kingdom, which have no great resources in the terms that we think of natural resources, and who have developed a very high standard of living by bringing in resources from all over the world, by applying their intelligent manpower to them, and sending those goods on to the markets of the world. Other nations, such as Japan, are, of course, doing the same thing. It is a miracle of organization.

These preliminary remarks to this committee indicate the importance that I place on taking a look at our resources. The paper that I have prepared for you is going to be, in the beginning, an historical account of a very general nature to indicate that this has all been up before our Government before, and secondly, it will go on to describe the actions that we are taking to meet this situation. But I am going to give a preview of my remarks by suggesting that people in agriculture are very concerned about land and water, and they have under active consideration at all times those problems affecting land and water. We have a meeting of agricultural ministers every year. The agricultural

experts of each of the provinces and in the federal Government are very close together on these matters of conservation. We have similar meetings of the fisheries people, of the forestry people, of the wild life people. In summary it simply means that each individual type of resource is looking at its own *particular* conservation program, and I think it is only fair to say both to the individuals on the research side and to the administrative officers in the various governments of Canada that much effective progress has been made in the individual field; but what I am concerned about, and what this paper concerns itself with, is, what machinery is there, what set of principles are there to guide and carry out a program by which resources *en masse* are looked at, and so that policies can be followed at governmental level by which private industry will be able to preserve and to make the best use of these resources.

So with these preliminary remarks, I hope that this short paper that I have prepared for you will fill in some of the bones of the skeleton that I have outlined. A request came from the Chairman, Senator Pearson, that I give a report to the Special Senate Committee on Land Use in Canada on the activities of the Resources for Tomorrow conference.

I was pleased indeed when I learned that this Special Senate Committee on Land Use in Canada desired a statement outlining the activities of the "Resources for Tomorrow" Conference since there is a definite connection between the work that your Committee has undertaken and the objectives of the "Resources for Tomorrow" Conference. That connection arises in part from the fact that agriculture and land use will receive extensive consideration by the Conference and, in this, the reports of your investigations will play a significant part. However, the connection is really broader than this because, as you have no doubt discovered, enquiries of the type that you have undertaken cannot be narrowly confined to the subject matter at hand. National problems always arise from broad and complicated circumstances.

The distinction that should be made is that the Conference does have considerably broader terms of reference in the first instance and involves a public discussion of the issues arising from the preparatory papers put forward. These broader terms of reference include an examination of inter-relationships between resources to obtain a view of the over-all conservation and management aspects of the multiple use of our resources. They include also the involvement of the general public and I think this is particularly important.

It may be helpful to review briefly the sequence of events that have brought us to our present position in preparations for the Conference, because there is a rather long history associated with it. In a sense the story begins in 1907 with a memorandum addressed to the President of the United States by that country's Inland Waterways Commission. This memorandum suggested the need for adopting a national policy of conservation. To this end it was recommended that the President call a meeting of all state governors. This was done and a declaration of principles was adopted. Canada then became involved because President Roosevelt urged and obtained a joint North American Conference including Canada and Mexico on the ground that conservation principles transcend international boundaries. The report of the Canadian delegation to that Conference in turn was the basis on which the Canadian Government resolved to establish a permanent Commission of Conservation.

In this sense, then, Canada's efforts at developing a national conservation policy originated in the first decade of this century. Equally significant, however, is that, from the very beginning, conservation policy was embedded in considerations of sovereignty. President Roosevelt had observed correctly that the inter-governmental aspects had to be examined explicitly and our own Commission of Conservation was, from the beginning, sensitive to implications of political

boundaries. In this connection I think it is of interest that the Honourable Clifford Sifton, as Chairman of the first annual meeting of the Commission of Conservation, on January 18, 1910 said:

In determining the lines upon which action should be taken, it was recognized that there was a grave danger that the authorities of the Provinces might look with jealousy upon any Commission created by Federal legislation, and the provisions of the Act were expressly framed in such a way as to preclude the possibility of any ground for such a feeling, the representation being, in fact, such as to secure, as far as possible, the most effective representation of the views of each Province. The Commission is, in fact, probably the most truly national in its composition of any body that has ever been constituted in Canada.¹

That concern for genuine national participation is as relevant today as it was when the Commission of Conservation undertook its work. For this reason we have taken every precaution to have the work of the "Resources for Tomorrow" Conference reflect the views of the country as a whole. All parties concerned are firmly agreed that no government should be dominant in this particular effort.

A short while before preparations got under way for creating the Commission of Conservation, Sir Wilfrid Laurier called the Canadian Forestry Convention of January 10-12, 1906. This was national in scope and held under the auspices of the Canadian Forestry Association. It reflected the rapidly growing concern over wasteful forestry practices and the fear that we were in danger of depleting our forests and other resources in a wanton manner.

In these early efforts, Canadians were in effect attempting to assess the country's potential for development and were considering at the same time the alternatives open to this young nation in getting on with the job. Consequently the investigations covered a very broad front and contributed significantly to the formulation of both federal and provincial policies concerned with the use of our resources. However, the Commission of Conservation was terminated in May, 1921 and no national resources conference was to take place again before 1954 when the Resources Conference was held in Ottawa. This was convened under the auspices of the Canadian Forestry Association, the Canadian Institute of Forestry, the Agricultural Institute of Canada, the Canadian Chamber of Commerce and the Engineering Institute of Canada.

I do not know how historians will interpret these sporadic, though significant, attempts at developing a sound basis for the wise use of our resources. What I do know is that Canadians are interested in making a more systematic and sustained effort in this direction. That is why I am pleased that we have undertaken, in cooperation with the provinces, to hold the "Resources for Tomorrow" Conference.

Preparations for the conference got off to a slow start but are now gaining momentum. Two federal-provincial meetings have been held to define the scope of the conference and to make plans for its implementation. In the first of these held on November 17, 1958 some progress was made in these respects. It was decided, for example,

that the conference should be called "National Conference on Conservation—Multiple Use of Renewable Resources;"

that the scope should be limited to the renewable resources including soil, water, forests, wildlife, fish and recreation facilities;

that a Steering Committee would be formed to be responsible for the preparatory work required for the Conference;

¹ Proceedings of the Commission of Conservation First Annual Report, Ottawa, January 18-21, 1910; p. 5.

that the Federal Government would provide a Secretariat which under the direction of the Steering Committee would compile and collate available material on conservation activities in Canada.

The provinces agreed to prepare and submit reports by March 15, 1959 on activities undertaken within their respective jurisdiction primarily with a view to identifying gaps in their operations. It was thought that industrial groups, universities and other interested persons would also be invited to submit reports at a later date.

The second national meeting took place on December 17-18, 1959. By this time the secretariat had been appointed and had begun its work. Some thought had been given to the applicability of the name for the Conference and I suggested to that meeting that it be changed to "Resources for Tomorrow" Conference! This was well received because in reflecting on the meanings that had been given to the word "Conservation" over the years by many diverse groups, it was felt that what was fundamentally involved was the *wise use* of our resources. In other words, what we were talking about was resource management. It was felt that the new name would convey this idea more effectively.

The Secretariat, based on discussions with people both in the provinces and in the Federal government, provided a tentative list of papers that might be prepared within each of the resource sectors. These were discussed to some degree but it was felt that further discussion would be necessary before deciding on the total range of papers.

By this time it had become apparent that considerable liaison would be required between the provincial and federal participants and the Secretariat. To effect this a Sub-Committee on Policy was established. This smaller group will give direction to the activities of the Secretariat as the need arises. On this Sub-Committee are the provinces of Nova Scotia, Quebec, Ontario, Manitoba and British Columbia. I serve as Chairman of this Sub-Committee as well as being Chairman of the national Steering Committee. I might say that my selection to that position was made on the basis of the wishes of the Steering Committee meeting, not myself.

Being fully cognizant of the importance of recognizing the issue of sovereignty in a Conference dealing with Canada's resources, all members of the Steering Committee agreed that every precaution should be taken to respect such sovereignty at all times. It is perfectly clear that the Conference cannot initiate action on policy. Rather what we are striving to do is to examine problems of renewable resource management in Canada in such a way that all persons and bodies concerned with our resources can be assisted in their work by our deliberations.

Apart from such organizational matters, substantial progress was made in defining the scope of the Conference. It was agreed, for example, that the multiple use of resources and the inter-relationship between resources should receive particular attention. I think this is important because there are significant areas where the complementary relationship between resources need to be understood and fostered. It is, of course, equally true that there are significant areas of conflict but where such conflict exist nothing is gained by ignoring them. On the contrary, it is necessary to examine these conflicts and to arrive at a constructive resolution of them. Another important decision was that the proceedings of the Conference should be carried on in such a way as to give guidance, in so far as possible, to the public at the local level. Resource conservation and management is everybody's business and unless the general public is brought into the picture, nothing really significant will happen.

I should point out here, however, that bringing the results of the Conference to the local level cannot be done by directly involving the general public in any extensive way in the Conference itself. The Conference must be a working session and public representation limited to a submission of briefs by interested groups, most particularly organizations that are national in scope.

With regard to limiting the Conference to the renewable resources, I can only say that this is a wise decision in view of the large amount of work involved even in this restricted area. It is clearly understood, however, that there are significant inter-relationships between renewable and non-renewable resources and we hope to have at least one or two papers at the Conference that would deal with this in a general way. The main effort, however, will be to examine what is being done in Canada in the field of renewable resources with a view to seeing whether we can define principles that apply and can be instructive to Canadians in the development of our resources. As time goes on a need for establishing such principles becomes more urgent due to the increasing pressure of population on our resources both at home and abroad. It is not good enough to assume that we will somehow meet the tremendous challenges that lie ahead in this rapidly changing world. We must as Canadians try to see what demands are likely to be made on our resources in the foreseeable future and try to arrive at some consensus of opinion as to the most desirable methods of meeting these demands.

Obviously the studies that are undertaken for the Conference will be a key factor in making the undertaking a success. These are, in fact, as important as the Conference itself. We are now in the process of calling together national Advisory Groups in each of the resource sectors to advise the Secretariat on what papers ought to be prepared for the Conference and to receive suggestions as to who in Canada is best able to undertake the preparation of these papers. The meetings of these Advisory Groups have produced excellent results and will be of substantial assistance to the next meeting of the Policy Sub-Committee on April 25, 1960 where final decisions will be made as to what papers should be undertaken.

This then is a brief account of what has been done to date in preparing for the Conference. Several issues are unresolved, however, not the least of which is the specific form the Conference itself will take. It is thought that discussions will go forward for about five or six days with the first day or so allocated to broad considerations of resource conservation and management. In other words, the Conference would address itself to considerations of the management problems of each of the resource sectors only after a presentation of papers considering such broad questions as those relating to population projections; effects of technological advance on the economy as a whole; where we stand as a nation in terms of competing for world markets and the climatological and spatial characteristics that place particular limitations on the development of our economy. It should be understood, however, that such papers would not define goals for the Canadian economy but would deal with implications of the most probable assumptions that should be made. Following a consideration of these broader issues during the first day or so, the Conference will proceed with discussions within resource sectors. These may be carried forward by the Conference as a whole or it may be necessary to provide separate treatment of each of the resources. If the separate treatment is decided upon, it becomes more difficult to keep the inter-relationships of resource use before the conference.

Another unresolved area is that relating to the number of papers to be prepared. What we are doing at the present time is defining the issues and the papers that ought to be involved if the whole field of renewable resources is to be dealt effectively.

A federal allocation of funds was made but it was never thought that this would cover the entire cost. We have set aside \$80,000 for the fiscal year 1960/61, but it is apparent that consideration should be given to the contribution of the provinces to the costs involved in the preparation of these background papers. This is one of the issues that will come up for discussion in our meeting on April 25.

Regardless of the number of papers prepared there will be a distribution of these papers to Conference participants a month or two before the Conference itself takes place. It is considered important that those taking part in the Conference have available to them resource material of this type so that they can base their arguments and ideas on a solid foundation of research material. These papers will not be read at the Conference itself except where the content of a particular paper is suited to such purposes. This could happen, for example, where the questions involved in the paper are of a rather broad nature and lend themselves to setting a stage for discussion.

What concerns me most is the availability of persons who are best qualified to undertake the preparation of these papers. Good people are always busy and always rather heavily committed. We hope, however, that we can attract the required amount of talent to do this job well in view of the importance of this undertaking to the economy as a whole.

Let me return briefly to our interest in the work of your Committee by pointing out that in our deliberations we come sooner or later to that great common denominator—LAND. In some instances it may be too plentiful, as in the case of large expanses of inhospitable territory that must be traversed continually at high cost to the nation. It is there and has a profound bearing on the economics of conservation and development. At other times land is becoming scarce for some uses as in the case of the growing shortage of recreational facilities. Land for such purposes needs to be studied in relation to pressures of an expanding population with more time to enjoy the aesthetic bounties of nature. We might also say that land is sometimes in the wrong place, so to speak, as in the case where a sudden pressure develops for more forest products and we find it difficult to locate supplies within reach in terms of permissible transportation costs. At all times, however, a nation's destiny is inextricably bound up in its supply, quality and accessibility of land.

It is in this broader context of development that it becomes necessary to go beyond the analysis of individual resource characteristics and to proceed to the over-all conservation and management aspects of multiple use. To develop our land resources with all their diverse characteristics and uses, this broader perspective must be maintained.

Thanks very much. (*Applause.*)

The DEPUTY CHAIRMAN: I thank you very much, sir, and may I also offer you my congratulations. Before going into the question period I would like to introduce to you two gentlemen by whom I hope to be forgiven for not having introduced at the beginning; I mean Dr. J. D. B. Harrison, Director of the Forestry Branch, and Dr. B. H. Kristjanson, Secretary of the "Resources for Tomorrow" conference.

I would ask you if you will lend yourself to questioning now.

Hon. Mr. HAMILTON: I will be very pleased. This is a subject in which we are all interested, and I am very concerned that we shall get out any information we have to where it may be of some use to your committee.

Senator HIGGINS: Mr. Minister, am I right in saying that the difficulty of getting a proper balance with regard to the preservation or conservation of natural resources is due to the viewpoints we take? For instance, let us take a river: the engineer looks at that river as something to be developed for hydraulic purposes; the fisherman sees it as a place to get fish for sale; the

conservationist sees it as a place to be preserved so that food will be provided for future generations. The forest is seen by the pulp manufacturer as trees to be cut down; the hydraulic engineer says that it must be conserved as much as possible to prevent the consequences of lack of water and erosion of the soil; and the conservationist sees it as something put there to prevent the erosion of soil and also to prevent the destruction of wild life. How are you to keep a proper balance?

You mentioned the United States. The United States had plenty of time to wake up. They have had very great writers on these matters who handed in reports; for instance, Frank Simcox, Chief Forester of the United States, warned the United States years ago about the destruction of forests, and if his ideas had been adopted there would not have been the amount of erosion there is now. There is the example of the black dust bowl. How are you going to manage about getting a proper balance?

Hon. Mr. HAMILTON: Senator Higgins has put his finger on what the problem is. I think I would like to answer your question by keeping the example you gave. Senator Higgins pointed out that in the case of a river you have all the people along that river basin with ostensibly different interests, and these different interests, because there is no overall set of principles to guide the operation of that basin, have resulted in a hodge-podge development of the river basin and the resulting depletion of resources; and this has been most costly on the land in the form of erosion and the getting rid of water supplies. Now let us for a moment imagine a situation—this is in the realm of academic speculation—that there was some sort of a river basin authority, or that there was a board that had some form of quasi-judicial powers to deal with conflicting interests in a river basin. We have precedents for these things in various places for instance, the Tennessee Valley Authority. We have a board in the Prairie provinces of western Canada that looks after the flow of water across the provincial boundaries. So we have these precedents. Suppose this body had just a little more authority of a judicial nature to decide disputes. Let us look for a moment at the development of that river you are referring to. Let us start with the pulp man. He has the impression from past experience that his costs can be reduced by going in and by pulping off the area almost to the stage of denuding it, and waiting for the natural processes to reforest that area. But this denuding process costs a lot of wild life, erosion, and certainly pollutes the river, and with the running off of the water it makes it very difficult for the power people to get maximum use of the resources of this river. But with our knowledge increased to the point at which we have arrived today, I think a board with some judicial power could say, for instance, to the pulp and paper people, "Your interests could be better served if you took that pulp off that river basin and the watershed flowing into that river because the run-off is limited or restricted. This would give you a maximum growth in the future for timber in that area and on a basis that did not destroy its beauty to the person who wants to use that river for recreational purposes."

I can give you an example of how it is actually being done. Supposing a pulp and paper company that is doing the cutting has instructions from the forest management people—that is, the Government of the province—that they are not to cut along the borders of rivers or highways in a beautiful scenic area, because, usually, a forest area is a beautiful scenic area. When they do their cutting they have certain regulations with respect to reforestation, and the handling of slash, and so on, but if in addition to that the flow of that water off that watershed is protected. I think it can be shown by modern research on regeneration, the spacing of trees in that area and better forest management, that if these customs are followed then the pulp and paper industry can get

bigger yields on a sustained basis than it is getting now by its present methods. I will ask Dr. Harrison to confirm or deny that statement because he is the expert in this matter.

Let us look at the question from the point of view of recreation because recreation in our country will soon be more important than power and so on. It is inevitable having regard to our population pressures. The man who drives along that highway still sees the beautiful trees, and he thinks it is a very beautiful unspoiled country. He does not know that if he goes back among those trees a few yards he will find that there has been a careful weeding out, that the trees have been pulped, but that has been carefully done to induce those trees to produce more lumber.

This is not the language of an expert saying how this problem can be solved. I am pointing out—and I think I can be backed up in this by the men who know more about it than I do—that there is a growing knowledge that you can get more use out of that river for the fisherman, the powerman, the pulp and paper man and for recreational purposes by getting together and seeing how that river can be used most wisely. This is called the multiple use of resources.

I think the people who are expert on these things have given us in their literature a tremendous amount of information as to how this can be done, but this implies one thing that we have not been able to master so far. We have not been able to get the governments to take on the job of looking at the resources of a river basin, or a region, and employing some agency that has the responsibility of taking on the supervision of that area, and seeing that a program is carried out for the best use of it.

There are exceptions, of course. The Eastern Rockies Conservation Board is a perfect example of where two governments got together, and spent a certain amount of money in capital expenditures. The province which owns the resources in that area now administers it. We have one member on the Board, and they have two. We put up the money and they put up the management. They are making money out of this area. In this area you see a certain amount of lumbering, and pulping, you see a certain amount of mining, you see a certain amount of grazing by the farmers and the ranchers going on there, you see a certain amount of hunting as part of the wildlife cropping, and you see the increasing use of the recreational facilities in that area. This Board has first responsibility to the nation. This watershed holds the future of Alberta, Saskatchewan and Manitoba and part of the Territories. Therefore, they must look after this watershed to preserve that cover. There will be in the future increased pressure for pulping, and that pulp will be taken off, I hope, in such a way as to not adversely affect the natural flow of water off that watershed by taking pulp off in strips and other means. Only a certain number of hunters are allowed in, depending on the game population of the area.

Here is an example of where two Governments have worked together, and where the province of Alberta is carrying out a multiple use of its resources in a very valuable area of our country.

I can give you an example in Ontario where I think there are 21 conservation districts based mainly on river basins. It is true that they are just starting, during the last few years, to get going. But when they bring proposals before the federal Government on how they can conserve water they have to prove the benefit-cost ratio—that is, prove that the benefits are greater than the cost of the development and in this benefit-cost ratio we include the value of the agricultural land, and the savings incurred by preventing erosion and the savings from freedom from floods because if you stop flooding it gives greater value to the land both in greater productivity and for recreational purposes. Every time you stop the flooding the recreational

advantages are very quick to follow, and are profitable. We consider the value to the urban people down stream being free from the threat of flooding. We are trying to work out all these problems. In other words, we are making a start on the multiple use of that very river with which you started out in your question, and I am sorry I have taken so long.

Senator HIGGINS: You have spoken like an expert, so you do not need to say you are an amateur. May I say this, that a watershed is of very little use if trees are permitted to be cut away from the banks of the rivers. If that is allowed the water will pour down, and the banks will disappear. I have fished for salmon in a basin that was four times too big for the water, and that occurred because the timber was cut off the banks of the river and the river has gradually widened. I think it would be a good thing if the paper companies were not allowed to cut within 300 or 400 yards of the bank of a river. I think that would prevent that, and everybody would be helped by it.

Hon. Mr. HAMILTON: I have seen pulp companies in Ontario—as a matter of fact, I happen to have a homestead right in the middle of a pulp and paper area. I built my home there because I thought it was such a beautiful place. The lake was surrounded by such beautiful trees such as the eastern pine, the jack pine, and spruce and birch. I built my camp there, and after I had time I went to examine around the lake and explore back to the bush. I got the shock of my life when I found that in behind the lakeshore had been thoroughly pulped out, and reforestation was in process. I did not know that before. I think there is a growing appreciation among the pulp and paper companies of this point.

Senator HORNER: I think the project in the Eastern Rockies that you mentioned is a wonderful example of what that has given to that country. There is no telling what it might be like today if that action had not been taken. I is wonderful. I know the country pretty well, and great things have been accomplished in that area.

Hon. Mr. HAMILTON: Incidentally, it makes money for the provincial Government because they have all the revenue from these licences. I notice that in the last two or three years the income was greater than the outlay, so you do not lose, and in the meantime they have protected the resources of the agricultural lands downstream.

Senator WALL: Mr. Chairman, may I first apologize to the Minister for being late in arriving. I did not hear his opening statements, and, therefore, I do not know when this Resources for Tomorrow conference—and that is a very psychological title—is to be held.

Hon. Mr. HAMILTON: The date has not been finally decided on. The objective was this Fall of 1960, or in the early months of 1961. We are trying to get it on for this winter, but the amount of work that has to be done for a conference like this is almost inconceivable. In the early stages I thought we could do it as a departmental activity, but we soon realized that it was beyond our capacity to handle the immense amount of material, so we had to bring in a group of experts headed by Dr. Kristjanson to take it on.

Senator WALL: Do I gather that this is to be a sort of a major effort to collate and bring up to date the work that has been constantly going on at all levels for many, many years with respect to conservation or resources for tomorrow, and that this is to be a sort of major research and informational effort not only for governments but for the public at large? Can I ask when there might have been a similar conference before, or has there never been one like this?

Hon. Mr. HAMILTON: Yes, in my statement I went back to the period of the first decade of the century, and pointed out the series of events that led to the

setting up of a national conservation commission in Canada which existed from 1907 to 1921. It was a sporadic effort which was dropped at that time. As I pointed out in my earlier remarks there has been good work done by the agricultural people, the fisheries people, and others which are related to this particular field, and what is lacking is a group that will look at the resources as a whole. This effort was made first, starting in 1907, and in 1921 it was dropped. This is an effort to try and get started again. This time the urgency is that much greater, because we know so much more about the depletion of resources by lack of wise management now than we knew 60 years ago. I paid tribute to President Roosevelt of the United States, and others, who really sparked this thing into being. I think our objectives on this continent are very clear. They are really to collect the expert opinion of all these resource fields and put them together to see what the inter-relationship is, and then to see if we cannot establish a set of principles that could be followed by Governments at all levels, plus private people, and then from these principles it is up to the Governments to take what administrative action they think necessary, and within their jurisdiction to push these principles forward into administrative action. I would include in that, and I emphasize this, that resource conservation will not succeed unless the public is fully aware of what we are trying to do and co-operates with it.

Senator WALL: I grant you that. May I continue for a minute? In answering Senator Higgins' question, you were in a sense projecting yourself and us to the stage beyond the one you are talking of now. I think that the establishment of principles, for example, for forestry management to people engaged in the forestry industry are well known and accepted now, by and large. The same thing holds true for the fishing industry, for the power industry, and so on. Those principles are known. They may need to be brought up to date and pinpointed more, and strategically underlined, underscored, in the light of changing conditions in Canada; but I think the projection is that some place there must be increasing public supervision, if I may put it that way, over private control of property. That is really where the final conservation principles which involve public interest are going to be finally focused, and you have pointed that out by saying that where in Ontario there are river authorities, or what you call again basin authorities—

Hon. Mr. HAMILTON: They are called conservation districts, but are usually based on a river basin.

Senator WALL: And the same holds true for the eastern Rockies. In other words, it appears that if we project ourselves, that projection inevitably enters into the adjudication of that problem area which you are indicating, by saying, "Well, this conservation board was doing this good work, and it was necessary in the public interest in this particular area", and so on. I think this is inevitable where those kind of resources, whatever principles it may involve, are going to have to lead. I am suggesting that as an observation. I do not think it merits any answer.

Hon. Mr. HAMILTON: It is a statement which I think I can approve of. I was just going to clarify one further statement, that it has been very clear from reading the records that the holding up in the matter of dealing with conservation is a general thing. This multiple use that Senator Higgins spoke of has always been held up by the fact that we are a federal state.

Senator WALL: Oh, yes.

Hon. Mr. HAMILTON: And it is because of this great concern that was there in 1906 and 1907, and that is here today, that governments have to move very cautiously and very carefully to make sure there is no infringement on sovereignty; but with the information we have now from the experience of the last 50 or 60 years, I think the fact is becoming clear that there will have

to be co-operation between neighbouring provinces, either on a river basin idea or on a regional basis; in other words, resource management cannot be limited to boundary lines. That is the essential fact. Now, 60 years ago it would have been difficult for provinces newly formed to talk in these terms, but the increase in knowledge is so great today that I do not think any government can fail to see that very long-term best use of those resources depends on their co-operating with the neighbouring provinces; and the part of the federal Government is simply to act as the honest broker—that is the phrase that I use—who simply calls them together and will deal with this before further controversy develops. Because the provinces believe that the resources belong to them, they are jealous of them and are determined to develop them the best way they can. It is only by education that conservation on their part can be achieved, and it can only be done by a judicial or quasi-judicial authority, when those rivers cross provinces I do not think there is any clearly established constitutional position, and as far as I know there are no cases in the courts which have established any precedent. So we have to move into this pretty cautiously. That is why at this conference we have emphasized that the 11 governments are all equal. Five governments direct the secretariat, and Dr. Kristjanson's direction comes from a group of five of us, not from the federal Government. This means some difficulty from an administrative point of view. It is true that we pay these people, and in ordinary practice we would control them. But this was evidence of my own personal concern, that somebody had to start it. However, I do not think any of the provinces would disagree with my statement that we have gone out of our way to make this a co-operative type of job to get at these principles, and if ever any friction develops between the provinces, the neighbouring provinces and the federal Government, co-operation would collapse. This has been the difficulty all the way along the line. I think everybody knows there has to be supervision, but it will have to come from groups of provinces who will co-operate on their particular problems. We have precedents for this. A good example is how Ontario, and Manitoba co-operate on the English River. It is true that at this stage it is purely power, but it could have wider connotations of resources all along that area. There is co-operation between Quebec and Ontario with regard to power, and of the interchange of power between Nova Scotia and New Brunswick, and other examples of co-operation along the same line. These are just steps, I think, leading to greater and greater co-operation between provinces. Actually the federal Government does not have to do very much at all other than perhaps to get them together.

Senator WALL: One more question, and I shall have finished. The conference is going to concentrate on what I understand to be the renewable resources. Is it being contemplated that at some time there should be some concern and mutual looking at the whole problem of non-renewable resources?

Hon. Mr. HAMILTON: I do not think there is any question about that at all, Senator Wall; but just at the moment I am so pleased that we are starting on renewable resources, and it is such a big subject, that I am glad we are on it. Secondly, on the non-renewable resources, this is probably the most touchy part between provinces, because provinces at the moment are rivals in the development of these resources, and I think we need a little more education before we can ever get to the stage where we can establish a general national policy on the use of some of the non-renewable resources. We are moving towards that field on a unilateral basis in connection with energy. Now, there are certain provinces like British Columbia and Ontario which have set up energy departments. If the federal Government comes in, obviously it has to cross provincial boundaries. In this field there is more rapid progress; but in such resources as iron, and various other base metals and minerals, I think we had better take the first step first.

Senator WALL: I understand.

Senator SMITH (*Kamloops*): Is the conference touching on the natural resources of the province of British Columbia?

Hon. Mr. HAMILTON: The province of British Columbia leads Canada on this question of conservation, as far as the discussion of these natural resources is concerned. Ontario has gone furthest administratively with its conservation program. I think a word of congratulation is due to the province of British Columbia because for twelve years—I think the last conference was the twelfth—they have met together and brought together people from the various resource fields to discuss the matter as a group and from the point of view of getting to the principles of making the results from these discussions work down among the administrative officers. I think British Columbia deserves the congratulations of all people who are interested in this matter of conservation.

Senator BRADETTE: Mr. Chairman, the Minister has mentioned an overlapping in jurisdiction between the eleven Governments. Would not the same principle apply to the Northwest Territories?

Hon. Mr. HAMILTON: No.

Senator BRADETTE: Could you not go further ahead if you take in the whole ensemble?

Hon. Mr. HAMILTON: It is a matter of resource management. The resources belong to the ten provinces and the Territories. With respect to the Territories I look upon myself as the provincial Government in the matter of resource management. We are trying to start a program there on the basis of the multiple use of resources even though there is no one there at the present time, relatively speaking. This means a tremendous pressure on me as an individual because I reserve in my own office the right to dispose of any parcel of land in the Territories. I do not like this business of having to look at every half acre that goes out, but I do it, and the question I ask my department is: How is this going to fit in with your overall plan? In other words, I do not want to see these beautiful little lakes surrounded by some homes of individuals who got in there ahead of the population which will follow some day. Every lake has to have some part of it reserved for the public use for generations to come. Likewise, there is the question of railway routes through the area, and road routes. They have to be considered in relationship to the resources of the area. The area is largely unspoiled and is as it has been from the beginning, and we are trying to set down certain patterns. The City of Yellowknife at the present time has not the power to relinquish lots in the town area. I said that I would be very glad to give them that privilege if they would produce for me a plan for the future development of their town. There are 5,000 people there now, but if they give me a plan for 10,000 people or 15,000 people, and when I see that they have worked out a plan that considers the educational needs of the future and the industrial needs of the future and the residential needs and the water supply—in other words, a town plan for the development of the area which makes sure, in other words, that there are park spaces left—I will turn the right I have now over to that community. I will turn that right over to any community that comes forward with a plan, or any community that shows it has this conception of urban planning which is going to protect the people of the future. I think the management of that resource should be as close to the people as possible. At the present time one of the Minister's heaviest responsibilities is the decision as to what to do with every parcel of land. There may be an application from a fellow who wants to place a filling station on the highway. I have to look at the plan and see the highway needs of that area, and decide whether it is going to clutter up the area, or not.

This puts a tremendous load of detail on the Minister (which he should not have to bear) but until some local government comes along which is strong enough and able enough to do the planning for that area the job will have to be mine.

Senator HIGGINS: May I be permitted to take the floor for just a moment. In the early 1950's the Fish and Game Association in Newfoundland, of which I happen to be the president, held a wildlife week. I wrote to the Department of Agriculture and asked for some advice and help. They sent me down nine magnificent films of wildlife. They even insisted on paying the express charges both ways. We showed those pictures to 12,000 school children in St. John's, and it created a wonderful interest in what wonderful natural resources there were in Canada. Why is it not possible to put films like that now and again on TV, because some of the stuff that is put on now is rather poor. You will not only have the children looking at them, but also the older people, and they will realize the possibilities in this country. You can also show the lakes you are talking about, apart from the wildlife.

I would suggest that the Government gives no grant of land unless it reserves for the public the land on the banks of rivers to a depth of 60 or 100 feet, or more. We have that in Newfoundland. No grant is given without reserving that land, and the result is that all lakes and rivers are open to the public.

You must have wonderful films of wildlife and rivers and lakes here which would create great interest, and would be certainly more educational than the stuff that is now put on TV.

Senator BRADETTE: We have some good programs now on natural resources.

Senator TAYLOR (Westmorland): First of all, I would like to commend the minister for his interest and his apparent grasp of the whole situation, and the need of resource development and resource conservation. I recognize that this matter of jurisdiction is a delicate thing and must be handled very carefully, but is it not true that there needs to be some direction given by the national government in this matter. I say this for this reason; you referred to the fact of the interconnection and interchange of power between Nova Scotia and New Brunswick would not have taken place for a good many years if some assistance had not been given by the national Government.

Hon. Mr. HAMILTON: I take that section of the Act that sets up my department quite seriously. It says that my responsibilities are to formulate plans in co-operation with other departments and provincial Governments and other groups for the best use of our resources, although this conservation conference proposal does not come under that section. Of course, without going into the question of what happened before the Government took over I can say that this has been a general statement of policy, and I have been one of those who have been very strongly behind this general statement of policy, so I was very glad to try to provide this literature, but at the same time I want to make it very clear that I am also a very strong upholder of the right of the provinces to own and manage their own resources. I believe that with a growing maturity in Canada the difficulties of 60 years ago can now be overcome. I believe that our government leaders all across this country, regardless of political designation, are now aware of the seriousness of this situation, and that we can lead them to co-operative programs that will achieve some of these objectives that we have.

I think it is fair to say that the federal Government has to help on some of these things. I think that is the point of your question. I think, to be equally fair to the taxpayers that the federal Government represents, we have to make some sort of a formal basis because any of these proposals should

have participation not only at the provincial and federal level but also participation at the local level. Under the Canada Water Conservation Assistance Act, for instance, the proportion that has been accepted over the years is that the local people put up 25 per cent, and the provincial Government and the federal Government share the 75 per cent equally. This gives participation by the local people which is absolutely necessary to the success of these things. If they did not have to contribute there would be demands that would go beyond reason, and so many that you could not cope with them. But, if there is participation, and if they think it is worthwhile, then the benefits are greater than the cost. I think there should be some form of help, and this has been a way of getting at this problem. The National Water Conservation Act has been in existence since 1953, and until this year there has never been a single proposal accepted. We have one this year that has been accepted, and we hope that in the not too distant future there will be another one. But that is the principle on which we work, even though there have been ad hoc decisions before.

Senator TAYLOR (*Westmorland*): I think the trouble with the development of resources in our province is the fact that our people have not become generally conscious of them, and therefore do not hear very much about it. I think therefore there is a need not for taking away anything of the jurisdictional aspect from the provinces, but that we should merely be in a position to say, "Here is a thing that we have which we want you to co-operate with us about." We should not want to force anything on the provinces. In the field of agriculture we have an army of men waiting to spread the gospel to the people. I think today there is a great opportunity for some leadership which could be given to the provinces.

Senator LEONARD: Is there a place at this conference for representatives of this committee as observers?

Hon. Mr. HAMILTON: Oh, I would think so, yes. All we are careful of now is to keep it limited to the 11 governments and selected national groups, because we all feel that any attempt to rush headlong into this thing and make it a great big talk session would achieve very limited results. We move very carefully, and these advisory groups are turning in wonderful reports. If we can move forward and have the 11 governments, with no government dominating, and can get these principles discussed with the leading authorities in the country, and even out of the country, if necessary, so that we can get some ideas as to what we should do, then I think each of the governments will begin to move towards these various proposals. I have in my mind a score of various suggestions I would like to put forward on what should be done, but I think it would be improper for me at this stage to put them forward, and I am hoping as an individual that these experts will bring ideas that are somewhat close to the ideas I have, and put them forward, because if they bring them forward and the governments accept them, no government will then be dominant, which is the thing I fear.

May I take the time of the committee to raise a point beyond anything discussed here? Conservation to me is not just the saving of resources, it is looking at them from a wider point of view and considering how to make the widest use of them. We have always assumed in Canada that we have unlimited forests to supply paper mills and the pulp and paper industry. At the present time there is a small surplus capacity in the pulp and paper mills, and that surplus is declining very rapidly. There was a study made in 1949 at the United Nations, under the F.A.O., of the future demand for pulp. This estimate I understand was made over a number of years, and turned out to be a 50 per cent underestimate of the increase in the world

demand. So that in 1959 they met in Rome, and they had a whole series of new techniques that made these statistics more reliable, and projected the demand of paper and paper products over the next 15 years. These figures are round figures, and I am using metric tons. In 1955 the world demand, we will say, was 56 million metric tons. By 1965, projecting these figures forward, the world demand will be 88 million metric tons. By 1975, that is, 15 years from now, it will be 134 million metric tons. This is a fairly steep demand factor. Now, in speaking of demand factor, if you project it in a line, it extends in a straight line usually, but your capacity factor goes in a series of steps. Now, this year, and from now on, I think there is going to be a scrambling for more supply. A supply has to come from the forests. Let us reduce this matter to a Canadian problem. At the present time in Canada we supply 18 per cent of the world demand. If we are going to maintain that 18 percentage it means we have to increase our capacity between now and 1965 considerably. We are going to have to increase our production in 1975 nearly two and a half times. Where are we going to get all this wood? According to the people in my department, using the present limits which are accessible limits to transportation, there is not that wood available. This can be got at by going farther afield, and that of course would mean raising the costs because of transportation. Now, there is another way of meeting the problem. We have across Canada a number of pulp and paper mills. This is a marginal proposition. I understand that possibly there could be another pulp mill in Newfoundland soon, and there may be one or two places in the Maritim provinces where you could get pulp and paper mills established. But if you look at the lands of Quebec and Ontario, pretty well all the accessible lands are under limit, unless you go to the more remote areas, where the rate of growth is slower. In the Prairie provinces there are some mills. There are three of four possible mill locations in Manitoba, three or four in Saskatchewan. Even using the Eastern Rocky slopes, with a very carefully planned program, you might get another six or seven mills—I don't know precisely.

Senator HIGGINS: I suppose reforestation would take too long a time to meet the problem in 1980?

Hon. Mr. HAMILTON: You mean the regeneration in growth? There is not enough growth in these areas to reach this demand if we are to hold our 18 per cent. In British Columbia there is a good deal of forest, but when you get further north the forests are too thin and the growth is too slow. The answer is to get into this question of research and to get this research information out into the hands of the provinces and the companies so that they can begin to apply this knowledge. This will enable them to get greater growth from the same amount of soil. In the meantime, how are we going to meet this demand factor? I am assuming, of course, that our operations can compete at the present price levels. Here we have pulp wood that is not being used in the areas I have enumerated. Can you get a group of provinces to say that this is a very important matter to them, and that they will bring in their companies who have been operating within those provinces for years in these areas, and bring them all into this and jointly discuss how we can meet this demand, within the next five or six years, when this thing is going to be very touchy? It might be possible through these companies that are close to the seaboard to look for markets where they are developing fast, that is, Europe; in other words, those which are close to the Atlantic coast, to begin to think more in terms of markets in Europe and the central part of the continent. There is no way of enforcing this. It can only be done by a very intelligent group of businessmen and by the provincial Governments meeting together on the basis of self-interest, pointing out that the opportunities are greatest elsewhere if they can begin to shift. Now,

it is only natural that a company, whose pulpwood business has been tied up with Chicago for years, to hold its markets, but it might be better for them and everybody else in the country in general to begin to shift into overseas markets where the rising market trend is most apparent.

To give an example of what conservation means to me, it not only means saving and making the best use, but it means the best relations with the Trade and Commerce people and the Finance people. Here is a wonderful opportunity, and if we do not meet it we all know that some day the signs are that we are going to find a way to use Russian larch. They have 200 million acres of it, I believe—in any event, it is very large—which are not now being used in pulp. Maybe we could get a little more from the southern pine, but we have to face the fact that they might even solve the problem by using the tropical forests and have new supplies. However, the point I am getting at is that what conservation means to me is the pulling together of all the information we have and pooling that information in a self-interested way. That is a program by which we would all be better off, and we would thus be better enabled to meet the demand. This is a much broader concept than that of saving our natural resources.

The CHAIRMAN: Any questions? Thank you very much, Mr. Minister. Our discussion has been most interesting, and I am sure that the honourable senators here would be very glad to pass a vote of thanks to you.

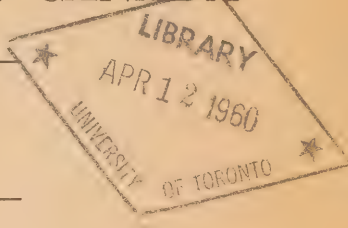
—Whereupon the committee adjourned.

3rd Session, 24th Parliament, 1960
THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA

No. 5



THURSDAY, MARCH 31, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

WITNESSES:

Mr. Paul V. Kepner, Deputy Administrator, Federal Extension Service, Washington, D.C.; Mr. Sherman Weiss, Northern Area Resources Development Specialist, Hayward, Wisconsin, and Dr. J. F. Booth, Director, Economics Division, Canada Department of Agriculture.

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, Chairman

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Methot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, March 31, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada, met this day at 11.00 a.m.

Present: The Honourable Senators:—Pearson, Chairman; Bois, Deputy Chairman; Barbour, Basha, Boucher, Buchanan, Cameron, Gladstone, Golding, Higgins, Horner, Inman, Leger, MacDonald, McDonald, Power, Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*) and Wall.

In attendance: Mr. Ralph A. Stutt, Special Consultant to the Committee and the Official Reporters of the Senate.

Dr. J. F. Booth, Director, Economics Division, Canada Department of Agriculture, introduced Mr. Paul V. Kepner, Deputy Administrator, Federal Extension Service, United States Department of Agriculture, Washington, D.C., and Mr. Sherman Weiss, Northern Area Resources Development Specialist, Hayward, Wisconsin, U.S.A.

Messrs. Kepner and Weiss were heard with respect to the Rural Development Program in the United States of America.

At 12.30 p.m. the Committee adjourned to the call of the Chairman, tentatively set for Thursday, April 7th, 1960.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE

SPECIAL COMMITTEE ON LAND USE IN CANADA

EVIDENCE

OTTAWA, Thursday, March 31, 1960.

The Special Committee on Land Use in Canada met this day at 11 a.m. Senator Arthur M. Pearson in the Chair.

The CHAIRMAN: Honourable senators, we have two distinguished guests from the United States with us today to give us a report on the Rural Development Program in the United States. I am going to ask Dr. Booth, who knows these men personally, and who has been acquainted with them for a number of years, to introduce them to us so that we will know who they are.

Dr. BOOTH: Mr. Chairman, and honourable senators, I appreciate very much this opportunity of introducing the visitors who are here today, particularly because they were so helpful to us in our recent study of the Rural Development Program in the United States. I have known Mr. Kepner for many years, and I am pleased to see him here in our midst.

Paul V. Kepner, who I presume is going to speak first, is the Deputy Administrator of the Federal Extension Service of the United States Department of Agriculture, and to my knowledge he has been in the Federal Extension Service at Washington since about 1935. He originates, I believe, in Indiana. I presume he was brought up on a farm, but, at least, he farmed there for many years. He is a graduate of Perdue university there, and spent a number of years at Cornell. The record does not show what degrees he earned at Cornell, but I think in four years there he must have gotten something worthwhile. I do not think I need say anything more about Mr. Kepner except that he is a very energetic and capable man in his field of work, and so far as we are concerned in our study of the Rural Development Program last fall Mr. Kepner was the key figure in Washington in arranging our itinerary and appointments. He made the appointments for our lengthy session with the Under Secretary, Department of Agriculture, Mr. T. D. Morse, which we all appreciated very much.

Our second speaker will be Mr. Sherman Weiss who comes from Wisconsin. Mr. Weiss is a graduate of the River Falls State Teachers' College and since 1943 has been a county agent in Sawyer County, Wisconsin, which we visited during our tour. At the time we were there in the Fall he was promoted to Area Supervisor and has under his direction some 17 more counties in the northern part of that State. We were very much impressed with the work that Mr. Weiss was doing in Sawyer County, and we thought he was one of the most active agents that we had the privilege of meeting. We noted the varied program, particularly—a program which involves agriculture, forestry, recreation, small business development, educational programs and the like. It is a very diversified program which is being carried on in the northern areas of that State.

I think that is all I need to say, Mr. Chairman, except that we, who are concerned with agriculture, are very pleased to have these people with

us, and I would like to take this opportunity of expressing again through them our appreciation to all the people in Washington and in the States who were so kind to us in our study of this Rural Development Program last Fall.

The CHAIRMAN: We have a number of copies of the brief that Mr. Kepner will be presenting to you, honourable senators, and I will have these distributed now before the meeting starts.

While we are waiting for the distribution I might say that we have two other people here to listen to this brief, namely, Dr. Hannam, President of the Canadian Federation of Agriculture, and also Dr. W. C. Hopper, Economist, Canadian Federation of Agriculture. Mr. Hopper and Mr. Kepner are quite well acquainted with one another.

Senator McDONALD (*Kings*): We also have the Deputy Minister of Agriculture, Mr. S. C. Barry.

Mr. PAUL V. KEPNER, Deputy Administrator, Federal Extension Service, United States Department of Agriculture:

Mr. Chairman and Honourable Senators, it is both a distinct privilege and a pleasure to have the opportunity of appearing before you. We in the States feel honored that our efforts in the Rural Development Program have commanded the interest and attention of this distinguished body. We were most pleased to have the privilege of being of some assistance to your study group while they were in the United States recently. I would be remiss if I did not indicate that, in our judgment, this group made a most thorough, objective, and discerning analysis of our Rural Development Program efforts in the short time they had available to them. Their report provides an excellent background for any contribution I may be able to make on this occasion.

As a background to this effort may I point out that in a message to the Congress on April 26, 1955¹ the President of the United States indicated in part, that "... more than one-fourth of the families who live on American farms still have cash incomes of less than \$1,000 a year. They neither share fully in our economic and social progress nor contribute as much as they would like and can contribute to the Nation's production of goods and services." A copy of that document has been placed before you.

The President stated further that "A many sided attack is essential. We need an integrated program in which each part contributes to the whole. ... Together, they will help toward a solution within the framework of freedom for the individual, respect for his rights as an American citizen, and opportunity to participate more fully in the economic life of our Nation."

This challenge on the part of the President, accompanied by a report prepared by the Department of Agriculture, in cooperation with other agencies, as to the extent, nature, and degree of concentration of problems involved,² set the stage for the Rural Development Program.

A nationwide meeting was called in June, 1955 to which some 24 States sent leaders. This meeting drafted the procedure that served as a guide in getting a program underway.

Subsequently (effective July 1, 1956) the Congress appropriated approximately \$2,000,000, divided primarily among 5 agencies of the Department of Agriculture to strengthen their field services and research work in support of a trial or demonstrational effort. In addition, the Congress authorized an additional \$15,000,000 in lending authority for the Farmers Home Administration to enable them better to serve low income and part-time farmers through operating loans.

¹ House Document No. 149, 84th Congress, 1st session.

² *Ibid*, p. XIII.

The CHAIRMAN: Would those field services be under the Extension Service, or under a new body that was set up?

Mr. KEPNER: No, this is just the field service of the existing agencies. There is no new agency, as will be pointed out later.

These appropriations and additional lending authority have been continued at this level, with the exception of the appropriation to the Cooperative Extension Service, which has been increased from an original \$640,000 to a level of \$890,000 at the present. Currently, the Congress is considering an Administration request for an additional \$2,865,000 to permit the Cooperative Extension Service to provide the necessary leadership in expanding this effort on a much wider basis.

To guide this coordinated effort for the Federal Government, a committee was established, comprised of the Under Secretaries of

Department of Agriculture (Chairman),
Department of Interior,
Department of Commerce,
Department of Health, Education and Welfare,
Department of Labour;
Administrator of the Small Business Administration; and
Member of the Council of Economic Advisers.

This Committee advised the States of the intent to undertake a trial or demonstrational effort and requested the Dean of the College of Agriculture in each of the States interested in participating, and having a concentration of underemployed rural people, to organize a State Rural Development Committee to give guidance, coordination of effort and assistance. It was recommended that such State committee should include key representatives of both Federal and State agencies in a position to be of assistance, and representatives of key lay groups such as farmers, businessmen, chambers of commerce, church groups, and others.

The State Committee was also charged with the responsibility of:

- (a) discussing the idea with representative local groups in proposed areas to determine their interest;
- (b) based on local interest and need, selecting trial or demonstrational counties or areas in which to launch the effort; and
- (c) submitting to the National Committee specific proposals for action.

It was on the basis of such proposals that allocations of funds were made to State extension services to employ special workers at the county or area level to provide leadership and assistance to local county or area committees.

Ten States inaugurated pilot programs in 1955 prior to the appropriation of the above mentioned additional financial assistance. This was increased to 24 States with 54 pilot operations the first year after special funds were made available. This year, 30 States and Puerto Rico have programs operating, involving approximately 200 counties.

Conditions Warranting a Special Approach:

Despite the rapid advances in agricultural technology over the past two decades, there are a very large number of farmers who have not directly benefited from these advances. Generally speaking these are farmers on units too small for economically efficient operations, or on land that is relatively unproductive, many times with topography unsuited to modern day mechanized farming. Although such farms can be found in any area in the United States, they tend to be concentrated in certain general areas. Heaviest concentrations are in the deep South and Southeast, in the Northern Lake States and, to a lesser degree, in the Pacific Northwest.³

³ Ibid, p. 7.

Characteristic of such areas are:

- (a) low farm incomes;
- (b) serious under-employment;
- (c) relatively low levels of living;
- (d) limited opportunities for off-farm employment;
- (e) relatively more people in the upper age brackets despite a higher than average birth rate;
- (f) below average level of formal education in many such areas;
- (g) less well developed public facilities, such as roads and schools;
- (h) a smaller proportion of the residents taking advantage of both public and private facilities and services that are available to them; and
- (i) a tendency in recent years for a high rate of out-migration in attempts to find more promising sources of income, many times without adequate knowledge of the extent or location of such opportunities and the capabilities required to take advantage of them.

In such areas the disadvantaged status is not limited to farmers. Characteristically there are large numbers of rural residents not engaged in farming who are underemployed. Associated with these conditions are usually lower than average economic and social situations with respect to many of the towns and cities in such localities.

The above, in brief, characterizes the general situation prevailing in roughly 1,000 of the approximately 3,000 counties of the United States.

Philosophy and Objectives of the Program:

This program is founded on the firm conviction—and this is apropos your question, Mr. Chairman—that the most productive long time approach to remedial measures is not to establish some special agency of Government to deal directly with the complex of problems involved. At least, that is our philosophy.

Rather, it is felt sufficient Government agencies already exist to render assistance with specific aspects of these problems. From the governmental assistance standpoint, what is needed is a conscious effort better to coordinate existing governmental programs and services in a common attack on local problems locally identified.

Secondly, it is felt that to insure significant and continuing progress, the residents of such areas must be aided in analyzing and determining for themselves both the nature of their most significant problems and also the most practical ways in which such problems can be alleviated or removed. The people to be affected must assume the first responsibility for improving their own welfare within the limits of practical opportunities. It is for this reason that committees of local people willing to undertake such analysis and action programs are the key to the success of any such effort.

Specific objectives of the program might be summarized as, but not limited to, the following:

- (a) Helping those who have, or can find and desire an opportunity in farming to attain to a more adequate farming enterprise more efficiently managed.
- (b) Encouraging the development of new off-farm employment opportunities, either through the expansion of existing industries or services or the encouragement of new ones, along with a wide variety of other income activities such as recreational and tourist business.
- (c) Improvement of the educational and guidance services available to the residents of such areas so that particularly the youth of such areas may be better equipped to find appropriate and profitable employment either within or without their immediate areas as they may chose.

Operational objectives essential to the attainment of such ends are:

- (a) Activating, encouraging and assisting local leadership to assume the responsibility for developing and guiding local actions, essential and practical, to bring about improvements which they desire.
- (b) Facilitating coordination of governmental agencies' operations so that their total contributions to the alleviation of local problems will be greater than when each operates independently, and encouraging such adjustments as are possible in their programs better to meet the peculiar requirements of these areas.

Operations at the County or Area Level:

Up to this time county or area Rural Development Programs have originated and have been developed essentially as follows:

The State committee, after tentative selection of a proposed county or area for demonstration purposes, presents the idea to a cross section of local leadership and local Governmental agency representatives. With their concurrence to launch such a program, the State Extension Service assigns a special worker, usually known as a Rural Development Agent—although not universally so—to help develop a local committee and serve as a professional consultant and assistant to the Committee. This agent, in cooperation with other local agency representatives and key local lay leadership, then takes necessary steps to organize an overall county committee to carry on the work. Usually in a very short time, after preliminary appraisal of the general situation and major problems they wish to attack, they will organize subcommittees to give more concentrated and specialized attention to the analysis of specific problems and the development of appropriate actions.

Hon. Mr. McDONALD (*Kings*): May I interrupt to ask where you would find the suitable men for that work?

Mr. KEPNER: Honourable senators, usually they are chosen from the ranks of our experienced Extension Service staff, taken off their regular assignments and put on this.

The local Rural Development Agent helps both the overall county committee and the various subcommittees to gain access to organized information of record bearing upon local problems, or in the absence of such, helps local people to develop means of collecting needed information through surveys and other means.

After the assembly of such information and its analysis, promising remedial actions are developed and proposed by the subcommittees, and appropriate lines of action agreed upon. Subsequently all resources which can be enlisted are put to work to attain the desired ends.

In this process, with membership on these committees from practically all economic, governmental, and social groups in the area, the resources are at hand to move ahead expeditiously on the action phases. For instance with banking, other business, Chamber of Commerce, and other such representatives on the county committee, if an opportunity exists to attract a new industry into the area, these groups are in a strategic position to help get such established.

If there is a determination made that the formal educational system locally needs adjustment to include vocational education in industrial trades and skills, the local school representatives, participating in the deliberations with the parents of the area, are rather easily convinced such adjustments should be made.

An agricultural subcommittee may decide a new service or marketing facility is needed, or that there is an opportunity to produce some specialty crops for a near-by market. Necessary steps are then taken to bring about

these changes. These are merely illustrative of the type of procedure employed locally to bring all interests together to consider the whole complex of problems needing attention and to devise whatever remedial action will promise constructive results.

This process is, of course, a continuing one. With certain accomplishments attained, the committee and subcommittees are free to turn their attention to other areas of promise.

Attainments:

Progress and accomplishments to date through the Rural Development Program exceed by far earlier expectations.

Perhaps the most fundamental, although somewhat less tangible than other more specific accomplishments, is the development of awareness on the part of local people that if they collectively go about appraising their local problems and devising remedial measures, they can do much to improve their own welfare. This has been accompanied by a dedication to do whatever is necessary to attain their own determined objectives.

Other attainments⁴ of a more tangible type include such developments as

- (a) The establishment of new small industries or expansion of already existing ones, thus providing new employment opportunities and increased incomes not only to those directly employed but also to supporting industries and other activities and services in the area. Although we have had no complete inventory of such new employment opportunities made available, we are advised of at least 8,000 new jobs created as a result of committee efforts in 52 of the participating counties.

Senator McDONALD (Kings): Is some money from the federal Government used for this purpose?

Mr. KEPNER: No. This is used in private enterprises. There is no Government subsidy in this regard at all.

- (b) Industrial training courses have been started in some rural high-schools better to prepare the youth of the area for employment outside of agriculture. This is not in replacement of vocational training in agriculture, but in addition thereto. Some out-of-school training courses have been provided for adults to equip them to obtain industrial type employment, either locally or elsewhere, on either a part-time or full-time basis. Definite programs have been undertaken to encourage youth to continue their formal education with gratifying results. In one country, the combined efforts of local people through the Rural Development Program enabled them to obtain a Junior College, utilizing existing school buildings, which they had been unsuccessful in obtaining before.
- (c) Recreation and tourist facilities and services have been improved in several areas, not only for the benefit of local residents, but to attract a greater percentage of the growing tourist business to several of these areas which have a wealth of natural attractions for Tourists.
- (d) Needed agricultural marketing and service facilities have been established, thus permitting more effective and economical handling of locally produced agricultural commodities. This has permitted the introduction of some specialty crops in some areas and expansion of commercial production of certain standard crops in others.

⁴For specific examples, see Rural Development Program, Fourth Annual Report of the Secretary of Agriculture, September, 1959.

- (e) Reforestation and improved forestry management has been very extensively developed in natural forestry areas, thus improving the income from this important crop.
- (f) The Extension Service and other agencies have intensified their efforts to be of assistance to farmers on small units to the end that they are being enabled to make better use of such agricultural resources as they have available to them or can acquire. Likewise, residents of these areas are tending to make greater use of such assistance than previously.
- (g) Agricultural programs of the various agencies of the Department have been modified better to serve the long-time needs of these particular areas and small farmers. For example: The Agricultural Conservation Program Service has increased allotments and rates of assistance for specific strategic practices; the Soil Conservation Program Service has intensified its assistance to the farmers of such areas, both individually and in connection with watershed improvement; the State Departments of Forestry have intensified their assistance to woodland owners in connection with the improved forest harvesting and marketing; the Farmers Home Administration and the Farm Credit Administration have altered their lending practices in order to be of more service to this class of farmers.
- (h) The Department of Labor—and this is a very substantial development—is exploring ways in which their labor placement and counselling service can be adjusted to be of greater service to the underemployed people of these areas, and in turn to the Nation.
- (i) The Small Business Administration is doing an effective job in providing financial, consultative, and training services to small industries in rural areas, thereby helping to provide additional employment opportunities and increased incomes. Based on a recent 6 months analysis of SBA operations, approximately one-third of its loans were made in small towns serving rural areas and in rural communities. The volume of such loans was at a rate of over \$120 million per year. Probably of equal significance, however, was the technical assistance and counsel provided small businessmen and development groups in these rural areas.
- (j) A noticeable tendency is evident to make more extensive use of existing public facilities and services, such as public health facilities and services and the Social Security Program, which, prior to the inauguration of the Rural Development effort, were not utilized by a large percentage of the residents of these areas.

Finally, in summary of what I have said: Our Rural Development Program to date has been largely on an exploratory and demonstrational basis. It has widespread public support and unquestionably will continue to expand beyond those efforts attributable to direct assistance available from the Federal Government.

Accomplishments to date have stimulated the interest and attention of several State Governors who are initiating or have initiated, actions within their respective States in support of this type of effort.

Both rural and urban press are finding in this work much that is worthy of publicizing and are giving it widespread coverage in feature articles, editorials, and news reports.

Many industrial concerns have become greatly interested in the quality and number of underemployed persons available in many of these areas which previously they had not considered potential sites for the establishment of

outlying plants. Several sizeable branch plants have been located in Rural Development counties specifically because local committees efforts made the opportunities known.

Governmental agencies, both Federal and State, have become aware of ways in which they can render greater service within existing resources and authorizations tailored to the particular needs of such areas.

And most important of all, the residents of such areas have become aware of many ways through which they can improve their own welfare with only modest assistance from Government.

We feel that we are beyond the experimental or "pilot" stage. One State, Georgia, has announced a state-wide program—others contemplate much broader coverage. Additional States plan to get Rural Development Programs underway.

The work you carry forward in Canada, Mr. Chairman, will be watched with great interest—and will help guide us in our future efforts to help low income rural families—those who need help most.

May I ad lib also to say that we do not feel we have all the answers.

The CHAIRMAN: Thank you, very much, Mr. Kepner.

Honourable senators, would you like now to hear from Mr. Weiss. He does not have a paper to deliver but he is going to talk on the rural development program as it developed in this one county that he was in charge of, and then we shall have the usual question period.

Senator McDONALD: Mr. Chairman, that will probably answer some of the questions that are on our minds now.

Mr. SHERMAN WEISS, Northern Area Resource Development Specialist, Hayward, Wisconsin, U.S.A.:

Mr. Chairman and honourable senators, it is indeed a pleasure to be here with you from Wisconsin to discuss with you and share with you the experiences we have had in resource development in a county in northern Wisconsin.

First of all, I would like to tell you about our county. It is a county of about three-quarters of a million acres or more; the total population is under 10,000. The major portion of the land, 80 per cent, is in forest. This leaves us with a population scattered over a very large area.

I will go into some of the other physical characteristics about the county a little later.

First of all, I would like to say that back in 1943, when I started as county agent in Sawyer county, the first program of work was planned by the extension officer. Taken to the agricultural committee, the committee in charge of the extension work in the counties, they, with a few minor changes, approved it, but I found it was very difficult to sell a program that I had developed for the people of the county.

Senator TAYLOR (Westmorland): When you refer to the extension services is that a Federal or a State service?

Mr. WEISS: This is a co-operative effort between the county, the state and the federal Governments. Each county in Wisconsin, and throughout the United States is organized on a similar basis.

Senator McDONALD: That is a regular extension service, is it?

Mr. WEISS: Yes.

Senator McDONALD: Is that the only extension service you have among the farmers?

Mr. WEISS: Yes.

Senator HIGGINS: You are with the federal authority, are you not?

Mr. WEISS: Yes.

Senator CAMERON: Mr. Chairman, it might help if Mr. Weiss gave the share of the contribution of the county, the state and the federal Governments. I do not know what it is now but it used to be 34 per cent federal. This is quite different to our portion here.

Mr. WEISS: Mr. Chairman, perhaps Mr. Kepner could answer that question.

Mr. KEPNER: Mr. Chairman, currently the federal Government is paying in about 38 per cent and the remainder is divided on a three-to-two basis between the state and the county. The county portion is the smaller portion, it would constitute about 25 per cent of the total.

Mr. WEISS: After operating for two years under this type of program, trying to sell people a program that we were developing in our office, we decided that if a program was to be effective and was to work, it must come from the people. So in 1945 a program planning committee was set up. This included people from all walks of life in our county, and as a result we evolved a program that they were interested in. At first it was largely agricultural—we were considering the problems of agriculture and had not given too much thought to other phases. However, very shortly afterwards the agricultural committee decided that the county extension agent was going to do some other jobs, one of those was to be administrator of the county forests. Here we started deviating from straight agricultural work and our planning committee then felt that there should be other phases of work. From then on through the years the planning committee would meet yearly, setting up the program of work, and as the extension program grew we drew in more and more people until finally one day we drew in the wife of a resort owner, who in her 4-H work had become very well acquainted with the services that the extension service had to offer. Her husband chatted with her one evening and the very next day wrote a long article and had it published in the local paper requesting that the extension service do something for another industry. Following this we had a meeting of our planning committee. The committee set out to find out what are the resources we have in Sawyer county. So we listed the resources. The top one was human—the people that we had; the second, agriculture; forests, recreation and industry.

Now, Mr. Chairman, briefly I would like to discuss each of these resources as they existed then. The human resources—10,000 people in all—were greatly underemployed. We had the woods worker who was employed only part of the season, the resort owner a very short time. Ten per cent of the population were Indians living on the reserve, and we had done nothing in our planning to bring any type of employment to this group. Our high school youth were leaving because of the lack of opportunities in the area. We had a migratory type of population that were coming and going because of the low income. Then they took a look at the farms. We had 1,000 farmers. Here were a group that had an average of about 20 to 25 acres of cleared land, they were running less than 10 cows per farm, milk production was low, crop yields were down. There were three acres of alfalfa per farm in 1948, compared with a total of 42 acres in the entire county, in 1943. In 1958 about $\frac{1}{3}$ of the crop acreage was in alfalfa. 76.6 per cent of the farm people had gross farm incomes of under \$2,500, and only 2 per cent had gross farm incomes of over \$6,000. So you can see that this vast force was causing considerable trouble due to under employment.

Then, our forests: We had 671,000 acres of forest land, of which the county owns or did own about 135,000 acres; the state, 56,000 acres; the federal Government, 144,000; and privately-owned 276,000 acres. This privately-owned tract is where we were mostly concerned. I saw the last of the virgin timber cut in Sawyer county in 1945, the last of the virgin timber that was open to the public,—it was privately owned. As a result we had this vast acreage of timber land poorly managed; the timber that could have been available if properly managed was gone, and we also had some 80,000 to 90,000 acres of burnt-over land on which was growing the type of timber that we call off-site, and this needed considerable attention in connecting it to a desirable species. So you see the major portion of our county, 80 per cent of it, is land that was low yielding in timber products.

Now turning to the operations available through tree planting, timber stand improvements, wildlife management, multiple use of county resources, access roads and things of that nature, we could make the forests more serviceable to the people. We had only approximately eight or nine wood-using industries.

With respect to recreational resources, we had some 62,000 acres. After working with the resort owners, who started to make a little study, we found that the resort situation was in a much more serious plight than the farm situation. We had a very large number of resorts with low income, short seasons, ten weeks or less, and in need of help.

We then took a look at some of the things that could be done. We have many streams that could be improved, areas that could be flooded to make flowages or man-created lakes. We needed picnic ground, camp grounds, public landings, facilities for winter sports, and a great deal in the way of additional things for the hunting of wildlife.

We had only eight or nine industries, six of which were sawmills. We had one, the Princess Pine, a ground pine which is picked, treated and sold for decorative material, and we had one wreath plant. That was the extent of the industry.

The committee on recreation asked, what kind of program do we want. So in 1955 this committee spent considerable time, and a program project plan was made for the extension service in Sawyer county. Here we made a decision as to the fields in which we were going to work. I may say, the people who were doing the planning opened the door for future resource development.

For the next few minutes I would like to discuss with you some of the things that have happened by way of industrial and other developments in the county. First of all we had a new plant, the Stanley Company, built at a cost of better than a half million dollars, and it employs 70 people at the present time. That plant uses poplar, saws it into lumber, core stock table tops and other uses in the furniture business. They have expanded to use basswood, soft maple and white birch. This plant uses about 15,000 cords a year. In addition to the 70 people employed at the plant, approximately 10,000 work days per year are required by the loggers who bring the material into the plant.

The Seely Lumber Company expanded and modernized its operation, and has now twice its original capacity and has jumped its employees by five or six.

Crawford Brothers purchased an old, dilapidated mill, and through a modernization program we now have the most modern mill in Northern Wisconsin, which is an all push-button operation. They have stepped up their production from less than 7,000 feet per day to 15,000 feet per eight-hour shift, doubling the output per man and making it possible to compete very favourably with other producers throughout the entire northern area of Wisconsin. In doing this they have spent considerable money and employed an additional number of people in their plant and in the woods.

All these projects I am speaking of now are a result of the direct efforts of resource development.

The Hayward Products started a new plant, making bar sticks and swab sticks. This was a new venture, and a market had to be developed.

The Skywood Products plant is now manufacturing table legs, fish bowls and other types of turned products. Two young men started the business, and expanded it, and they are now adding a dry kiln and a new building to the present plant; they will be employing from four to eight additional persons very shortly.

Then at Winter, Wisconsin, Paul Petit was having trouble marketing his logs. Over a cup of coffee we discussed what could be done, and as a result he set up a sawmill in which he is now employing 15 persons.

We had a very serious situation arise with respect to the Acme Steel plant, with respect to slabs and waste material. A young fellow and I sat down in his home one evening and came up with the idea of Badger shavings, in which the waste wood material is converted into shavings. They are used in the poultry industry for bedding. The waste has been converted into a \$65,000 business, with a plant 32 by 140 feet in size, and employing five or six persons.

We tried some ventures that were not successful, one of which was the charcoal business. It is possible that we are not too well situated, because Sawyer County is located a long way from the heavily populated areas of the United States, and the high cost of getting the product to the market and establishing a market for it made the venture very difficult. However, very little money was lost, as we went into it very cautiously.

Then we stepped into multiple uses of the county forest, with the co-operation of Wisconsin Conservation Department. We set up a program to make use of the county forests, from a recreational standpoint. This program comprised the building of roads, seeding road sides for game food, building bridges, making impoundments for wildlife, both fur-bearing animal and ducks. About 25 miles of road have now been built, making these areas more accessible to the logging industry and the sportsman.

We also went into other projects, such as the development of lakes. This was a co-operative effort between the town, the county, the highway department and a local citizen who gave us \$1,000 to start the project. The dam was completed this past fall at a cost of around \$15,000, and it raises the size of the present lake from 80 to 400 acres. This is in an area where the total value of the land around the lake could exceed the value of the six square miles of the township.

We worked on another project to restore a lake to its original height, a co-operative effort between the town and county, and the conservation committees and the Wisconsin Conservation Department. The result is Birch Lake, was restored at a cost of \$1,500.

We have surveyed Price dam at Winter. We have taken a look at Hay Creek dam. We have also considered the buying of Moose Lake dam, now owned by a power company. The power company pulls it down seven feet each year. They are now at the point of trying to dispose of some of it because of the expense of maintenance. The county is negotiating with them to keep this body of water. This would be a real asset to the recreational facilities of the county. We have taken a look at MacDermod Creek, where a great deal can be done to improve the trout fishing. This will result in a bigger and broader recreational business for the area.

We also worked in the field of maple syrup production, and we doubled the production of maple syrup within a one year period. We are holding it in check because we do not want to go too fast since this is a semi luxury product and over production would create a market problem.

Then, with respect to our forest management program; in 1958 in the county we planted 550,000 trees; in 1959, we planted 700,000; in 1960, the proposed planting will run about 500,000. There are 35 to 40 people co-operating in the management of their timber lands. We have also done some work with balsam management for the Christmas tree industry. There are three co-operators who are operating projects in the production of Christmas trees on county forest lands. There are some 12 people who have complete farm woodlot management plans.

Then, in the field of agriculture, we started out a few years back using 3,000 tons of lime per year, and we set our mark at 18,000 tons. We hope to reach that by 1965.

Senator McDONALD (*Kings*): The soil is largely acid?

Mr. WEISS: Yes, and it requires four to eight tons per acre. It is mainly Kennan silt loam. We have some sandy loam, but it is mostly Kennan silt loam. By 1956 we had stepped it up to 12,000 tons, and we have now reached 18,000 tons. A group from the county along with the county extension agent went to the State Capital at Madison to discuss with the federal ASC (Agricultural Stabilization and Conversation) office the raising of our allotment. We are able to convince them that we needed more and they raised it from \$23,000 to \$100,000. We developed some new soil improvement and pasture improvement practices that have been very effective in improving crop yields.

Then, 40 high level fertility plots were set up in which some 800 pounds of fertilizer were used per acre, some have used as high as 1,000 pounds of fertilizer per acre, with some astounding results. We have received checks up to 8 tons of alfalfa per acre on some of the fields. We average better than 5 tons on all of these plots that were checked.

Further, there is a change in the outlook of the farmers in the area. Instead of a 20-cow herd being regarded as a larger herd, there are several 50-cow enterprises.

We went into the poultry field and set up six or eight hatchery flocks for producing hatchery eggs. The results were not too satisfactory. Work was done in sitting up expanded turkey operations. One farmer grew 60,000 turkeys in a year and produced close to a million pounds of meat. One farmer built two poultry buildings, 74 feet by 277 feet, and during the course of the year handled only 19 tons of feed were handled by two men. They raised three-quarters of a million pounds of chicken. That is a tribute to automation.

Senator HORNER: May I ask if there is any new land being brought under cultivation—burnt over land, or land which was timber? Is there any new land?

Mr. WEISS: Yes, there are several acres of new land coming in, but with the new land coming in there is also a lot of the old land going out of cultivation—land that was less desirable. We feel that what we have done has been a step in the right direction. We are putting in the good land and retiring the poor.

Senator HORNER: Your timber operations that you spoke of would be small cuts on a conservation basis? You do not cut clean—you just select?

Mr. WEISS: It is selective cutting. I may add that in spite of a miserable job of management in the past, timber is growing back faster today than we are cutting it. Today I would say we do have a real good timber management program. It has gone so far that every timber operator in the county is looking at it from the standpoint of renewing this resource and cutting it wisely.

Senator McDONALD (*Kings*): The manufacture of plywood lumber is getting to be quite a big business. Can you make that in your mills there?

Mr. WEISS: Yes, there are several mills in Northern Wisconsin. We do not have any in Sawyer County, but there are some in two of the neighbouring counties.

Senator McDONALD (*Kings*): That is, the soft woods?

Mr. WEISS: Yes. Then, too, we had a mink industry that was small and which needed some help. Nineteen mink ranchers met in my office one evening and we started a co-operative feed mixing plant. We raised \$13,000 in cash, and \$12,000 in security in the form of freezers and equipment. A plant was built. It has completed its first year of operation, and the mink ranchers feed their mink more economically than ever before, and they receive a 10 per cent rebate from the savings on the operation. This has made it possible for this industry to grow, and it is growing at a rate about twice as fast as we would normally expect. This is due to the fact that they do not have to put their dollars into mixing plants on the home farms; they are investing their money in the production of more pelts.

They are planning some real expansions in the year ahead. I stopped on my way here to talk to one rancher to see if the idea had materialized as yet. We hope that northern Wisconsin will become the mink capital of the United States.

Then, we went into other phases of the work such as parks and public landings. Since most of the land is privately owned it became necessary for some one to take the lead, and expansion is being accomplished with the co-operation of the Conservation Committee of the County Board, the Agricultural Committee and the Town Board. Six public landings and public camping grounds were developed during the past year. This was accomplished by co-operative funds between these agencies. Considerable work was done in co-operation with the Rod and Gun Club. The county furnishes the material, the club does the work. The work in the field of parks and public landing is being carried on to meet the ever increasing demands for this type of recreational activities. We have just scratched the surface of the job that is ahead. A few surveys have been made. We are setting up some work to help the recreational industry. When the program that is necessary in our area got underway we will see a recreational business that far overshadows the combined total of agriculture, forestry and all other phases of the economy of the county.

You can see that we did not start our program on the basis of some of the cultural things. We took hold of it on the basis of an economic development.

I would just like to take a few seconds to summarize what has happened. Within the city of Hayward, the Hayward Development Corporation was formed. It was the second industrial development corporation in Wisconsin. They bought a 108-acre tract that was assessed at \$2,000. It has now an assessed valuation of three-quarters of a million dollars. There are eight different business operations on this site. A few short years ago it was a blank 108-acre tract of land, and as a result of this development we have seen a community of 1,500 people grow and over 100 new homes go up in the last seven years. In the five years prior to this period only seven new homes were built. Within Sawyer County we started out with about eight industries and we have now thirty-three different phases of industry. We have increased our employment by about 200, which means there are another 150 to 160 people employed in addition to those employed in industry. For each ten persons you put to work in a plant there are seven additional employees to service them.

In summarizing I can just say that we have felt that the necessity of development comes from the people within. During this whole operation we have brought in only one industry from the outside and all of the others have been locally sparked and locally developed. In the process of carrying out a rural development program during a period from March of one year to March of the next year, resource development personnel helped secure \$465,000 worth of capital, and I am happy to say that every loan is going along very well. Every one is current. We want to say that the growth of any community comes from the people within, people working together, and we do not have to look to the horizon for new things. We have more or less felt this as a philosophy, that if we want to leave our footprints in the sand of time we better wear work shoes. Another philosophy we have tried to develop is that the best place to find a helping hand is at the end of the elbow, and that elbow is your own. If we follow that through we feel that resource development in its overall phase is important. It is certain that we cannot sit back idly by and expect somebody else to do things for us. It means that it is every individual taking a complete look at the total program and working from there. Thank you.

Senator HORNER: You mentioned your creeks. What did you do? Did you make it possible for canoes to pass or did you build dams or what?

Mr. WEISS: We are improving them for trout fishing and putting in dams, both.

The CHAIRMAN: Honourable senators, I want to express my appreciation for the very valuable work and the interesting presentation we have had from both these gentlemen.

Senator McDONALD (*Kings*): On behalf of the members of the committee I would like to move a vote of thanks to these gentlemen, our good neighbours to the south, for appearing before our committee. It has been a great help. They are to be congratulated for showing such leadership in this rural-development program.

Senator HIGGINS: It has been a great pleasure to have heard our distinguished brothers from across the border, experts as they are in this subject. I was interested in the personal experience given by Mr. Weiss and I am sure everyone of the honourable senators heard it with the same interest I did. I would also like to refer to the admirable way in which Mr. Kepner delivered his thesis or, should I say, his essay or lecture. He has a most pleasant voice. His delivery was wonderful, and delivery has a lot of effect on a speech. As the poet said, "Then did I know what spells of infinite choice, To rouse or lull has the sweet human voice."

I never heard a speech or lecture delivered in such a lovely way. It was a sheer pleasure to hear Mr. Kepner speak.

I would just like to ask whether the bringing of mink onto an estate or into the operation of an estate is a dangerous procedure? Wherever mink are, game disappears. The mink kills merely for the purpose of killing, not for eating as do other animals.

Mr. KEPNER: I will let the expert answer that question. I disqualify myself.

Mr. WEISS: The mink we are growing are kept within compounds. They are not wild mink. They are a ranch-type mink.

Senator HIGGINS: But they escape, do they not?

Mr. WEISS: Very, very few, and if they do they are caught very rapidly.

Senator CAMERON: Might I ask whether the State of Wisconsin is doing anything like they have done along Highway 2 in northern Michigan, reserving a belt of forest along the highway? I think it is five rods deep?

Mr. WEISS: They have in the federal lands and the county lands, and so forth, but with respect to private lands we have no law that will provide for that type of thing. Along the highways through the county and federal lands a controlled cut is being practised. I drove through many miles on Highway 2 on the way here and it certainly was a pleasure. We hope to do the same thing some day.

Senator CAMERON: I think it is one of the finest examples of public policy I have seen, the way they have conserved five rods back on each side of the highway. You think you are going through virgin forest and when you get beyond the five rods you find burned stumps and decimated land. I would hope that more of this could be done.

Senator WALL: I would like to ask a naive question. I was not here when Mr. Kepner read his brief. Is the rural development agent a federal employee?

Mr. KEPNER: If I may say, sir, this applies to the co-ordinated relationship that prevails in the Extension Service. The federal Government provides funds and exercises a bit of leadership, and the local committees within the state are directly supervised by the State Land Grant College and Extension Service with the co-operation of the county. So, in essence, they are local employees. Mr. Weiss cannot accuse me of being his direct boss. He is responsible to the Director of Extension in the State of Wisconsin. Federal funds do go into it, but the authority is vested locally.

Mr. WEISS: And the programs are developed locally.

The CHAIRMAN: Can you give an example of the origination of the program in any county? How do they get these programs under way?

Mr. WEISS: The procedure we use is that we get a group of all the other federal agencies in the area and we call in our planning group.

The CHAIRMAN: Is that initiated by the Extension Service?

Mr. WEISS: Yes. We call together this group and for half a day we give them the facts about the county, what exist, what is the income, population, all the various particulars of crop production, and all the other facts we can gather; and from then on this planning group will split up into various segments, one on industry, one on youth, one on recreation, one on agriculture, one on forestry; and from that they make suggestions for the program that Extension Service is to carry on in that county; and the program is formally written up, approved by the county committee, and then sent on to the State office where they have a copy of the type of program that is suggested by people on the ground floor, the people that will be out there selling the program that you have to offer.

Senator HORNER: I beg to say, Mr. Chairman, that in this day and age when all the rage is for the Government to do everything, it is refreshing to hear this gentleman give the explanation he has done with regard to finding the helping hand.

Mr. KEPNER: I would like to express just one thought. People who belong to Extension, such as Mr. Weiss, are extension workers. Mr. Weiss has used this term "Extension" quite naturally in this discussion, and it is quite appropriate. However, I would make this point, that this is not solely an extension effort. Somebody has to provide the technical counsel and guidance. It happens to be that we are in Extension, and perhaps have had more experience in that field. Gentlemen like Mr. Weiss are highly qualified in extension, and we have been asked to provide the leadership. With regard to these rural development agents mentioned here and those at the national level, even though they have to be administratively responsible to some one to get their cheques, and so forth, nevertheless, they are out there working as

representatives of all of the federal agencies that are in a position to contribute to this thing, and they have a responsibility to bring in the other federal agencies for whatever contribution they can make. So in that respect they are a little different from our Extension agents.

Senator TAYLOR (*Westmorland*): It is a bit difficult for me to grasp the significance and the operation of this thing from the levels of federal, state and county. The attitude in my province down east is that the counties—the municipalities, have no responsibility whatever in relation to agriculture or forestry, or anything of the kind. This is all a responsibility of the province. Now, it is true that so far as federal and provincial activities are concerned, the line of demarcation is fairly strong. Apparently federal responsibility is in the field of research, experimental, administration and legislation, whereas in the provincial field, in my province at any rate, it is purely education and extension; and in my province the extension workers are solely provincial individuals. Now, when a program of this kind starts there must be some individual in that county responsible for it. I take it that you are the one who is responsible for your county, and certainly that county is very fortunate in having you; but there must be some one individual that sparks and spearheads this whole program. Is that not so?

Mr. WEISS: Within the county, yes; but we cannot ever overlook the fine leadership that comes from our State and Federal Extension Service that inspires the people at the county level to do the jobs. If it were not for our fine federal agency and our fine State agency I am afraid we probably would not have the enthusiasm and desire to do these things which we have, because of their leadership.

Senator HORNER: You are able to secure the assistance of local people which are of great assistance in advancing your various programs?

Mr. WEISS: Yes.

Senator CAMERON: Perhaps we could have clarified the difference between our set-up and yours. Using your county as a base, what are the other agencies that you work with? How many federal, how many State, and how many county? You are the county man?

Mr. WEISS: Farmers Home Administration, which is a federal agency; and then there is the A.S.C. (Agricultural Stabilization and Conservation), the one that takes care of the lime, fertilizer and conservation practices—that is a federal one; the Federal Forest Service has an office, and we work with them. We also do considerable work with the Small Business Administration. We also have the S.C.S. (Soil Conservation Service), which is a federal agency. These are the federal agencies.

Senator CAMERON: Do the federal agencies have a man in each county?

Mr. WEISS: Yes, excepting the Small Business Administration, the rest of them do. The A.S.C. has an office there; Farmers Home Administration has an office there; and the Federal Forest Service also. But Small Business Administration is in another state and handled on a regional basis.

Locally we have the State Conservation Department, and the local organized groups, and those are the ones we work with.

Senator CAMERON: You see, Senator Taylor, they have a very large federal staff, whereas ours is provincial and federal.

The CHAIRMAN: The municipality has no agricultural representative at all?

Senator CAMERON: Quite a number are appointing agricultural supervisors at the municipal level in our province of Alberta. I do not know how general this is.

Mr. WEISS: It has been made possible at the state level for counties to hire a resource development person on a county basis. I have already discussed

that with some of the counties, and some of them are thinking quite seriously of going into that phase of it. That would be outside of any federal aid, it would be strictly local county aid.

Senator TAYLOR (*Westmorland*): May I ask a personal question? What is the source of your salary?

Mr. WEISS: When I was working as a county agent—I am no longer a county agent—the source was the county, the state and the federal Governments, three sources. I receive two cheques; the federal extension service works in co-operation with the state, and the state university writes one cheque—they get federal funds from the federal Government and they are deposited at the university and from there they send out one cheque, and the county gives me one cheque.

Mr. KEPNER: Mr. Chairman, I would like to make an observation. I find myself in this circumstance every time I appear before a group not made up entirely and solely of United States people. What we have done of course is to utilize as best we can the available resources in what appeared to us to be the most logical manner. I would not suggest that we think we have all the answers as to how this should be done, or that we have the only way of doing it. In fact I know of some activities comparable with these going on in other counties and they do not fall within that framework at all but rest upon local leadership. I just wanted to interject that remark, Mr. Chairman, that we are not presuming here to point out that this is the way or these are the relationships that should prevail—I think the principles are the significant items.

Senator TAYLOR (*Westmorland*): I think we have in Canada quite a number of areas similar to the illustration you gave today.

Mr. WEISS: The important part is that most of your low income farms will never be expanded to self-sustaining units. The owners can operate them on a part-time farming basis and find employment in the area to obtain income supplementary to their farm income. The approach to this must be an individual one. I know that a neighbouring county, which has the same type of program as Sawyer county, has an entirely different approach to this than we have.

Senator TAYLOR (*Westmorland*): You referred to a number of dairy farm operations having herds of say 50 cows. Would that come about through an amalgamation of smaller farms?

Mr. WEISS: Yes. We are not concerned whether the herds drop down in numbers because we do know that our overall agricultural production has held pretty stable and has even gone up, but the number of people engaged in it has gone down. Most of these people now are finding employment in the area. I can walk into some of the industrial plants in the area and see these one-time farmers working in these plants, and I must say that they are exceptionally fine plant labour. In fact, all Wisconsin is gifted with outstanding labour.

Senator STAMBAUGH: Generally speaking is not the state of Wisconsin largely a dairying state? Is that not its main industry?

The CHAIRMAN: Not in that area, Senator Stambaugh.

Senator STAMBAUGH: The state itself is, but evidently this particular area does not seem to be.

Mr. WEISS: The state of Wisconsin itself has two and a half million milk cows; Sawyer county has less than 7,000 milk cows, so we are not basing our economy upon the dairy industry. This incidentally is overall. Recreation is probably right now seven to eight times more important than the dairy industry. We expect the recreation industry will be on top. The forest products and wood-using industries would be next, and agriculture will come in a poor third.

Senator CAMERON: Mr. Weiss, you confirm what I thought that all the Wisconsin farmers did was catch fish.

The CHAIRMAN: If there are no more questions shall we adjourn?

Senator TAYLOR (*Westmorland*): Mr. Chairman, I would like to move a vote of thanks before we adjourn. I think the information we have been given by Mr. Kepner and Mr. Weiss will be of tremendous value to us, and while I am still a little hazy with respect to the administration of the program I nevertheless think we can work this out somehow in Canada on a basis that may be comparable with what is being done in your country.

Mr. WEISS: I do not think you have to worry too much about the administration angle of it. If you get people who are interested and willing to work I think the problem will work out by itself.

Senator STAMBAUGH: I move that we adjourn, Mr. Chairman.

The committee adjourned.

3rd Session, 24th Parliament, 1960

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PROCEEDINGS

OF THE

SPECIAL COMMITTEE OF THE SENATE

ON

LAND USE IN CANADA

No. 6

THURSDAY, MAY 12, 1960

TUESDAY, MAY 17, 1960

THURSDAY, MAY 19, 1960

The Honourable Arthur M. Pearson, Chairman

The Honourable Henri C. Bois, Deputy Chairman

WITNESSES:

From the Canadian Chamber of Commerce: General R. Holley Keefer, Chairman, Executive Council; Messrs. W. J. McNally, Manager, Policy Department; J. S. Whyte, Chairman; Agricultural Committee; and R. F. Richardson, Manager, Organization Service Department.

Mr. George V. Haythorne, Assistant Deputy Minister of Labour, Mr. Ross Ford, Director, Training Branch, Department of Labour, and Mr. William Thomson, Director of Employment Service, Unemployment Insurance Commission.

Mr. James A. Roberts, Deputy Minister of Trade and Commerce; Mr. C. V. Parker, Director, Agriculture Division, Dominion Bureau of Statistics; Dr. J. F. Booth, Director, Economics Division, Canada Department of Agriculture; Mr. Morgan Mahoney, Assistant Director, Small-Business Branch, Department of Trade and Commerce; Mr. A. D. Holmes, Director, Prices Division, Dominion Bureau of Statistics, and Mr. V. J. Macklin, Director, Economics Branch, Department of Trade and Commerce.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Méthot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, May 12, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada met this day at 11.00 a.m.

Present: The Honourable Senators: Bois, *Deputy Chairman*; Barbour, Boucher, Golding, Higgins, Inman, Leger, Leonard, McDonald, McGrand, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon and Wall.

In attendance: Mr. Ralph A. Stutt, Special Consultant to the Committee, and the official Reporters of the Senate.

The following witnesses from The Canadian Chamber of Commerce were heard: General R. Holley Keefer, Chairman, Executive Council; Messrs. W. J. McNally, Manager, Policy Department; J. S. Whyte, Chairman, Agricultural Committee, and R. F. Richardson, Manager, Organization Service Department.

The following documents were distributed:

"Tourist Development", A Plan of Action for Tourist Development.

"Prospecting for Industries", A Plan of Action of Industrial Expansion.

"Industrial Promotion Yardstick", How does your Community Measure Up?

"About Agriculture".

At 12.30 p.m. the Committee adjourned to the call of the Chairman, tentatively set for Tuesday, May 17, 1960, at 2.00 p.m.

Attest.

James D. MacDonald,
Clerk of the Committee.

TUESDAY, May 17, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada met this day at 2.00 p.m.

Present: The Honourable Senators: Bois, *Deputy Chairman*; Barbour, Boucher, Gladstone, Golding, Higgins, Inman, Leger, MacDonald, Smith (*Kamloops*), Stambaugh and Turgeon.

In attendance: The Official Reporters of the Senate. Messrs. F. M. Hereford, Director of Special Services, Department of Labour and A. D. MacDonald, Special Services Branch, Department of Labour.

The following witnesses were heard and questioned: Mr. George V. Haythorne, Assistant Deputy Minister of Labour, Mr. Ross Ford, Director, Training Branch, Department of Labour, and Mr. William Thomson, Director of Employment Service, Unemployment Insurance Commission.

The following documents were filed:

"Vocational Training Program in Canada".

"The Farmer's Son".

"Farm Safety and Workmen's Compensation".

"Working And Living Conditions".

At 3.30 p.m. the Committee adjourned to the call of the Chairman, tentatively set for Thursday, May 19, 1960, at 11.00 a.m.

Attest.

James D. MacDonald,
Clerk of the Committee.

THURSDAY, May 19, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada met this day at 11.00 a.m.

Present: The Honourable Senators:—Bois, *Deputy Chairman*; Barbour, Basha, Boucher, Golding, Higgins, Horner, Inman, Leger, McGrand, Stambaugh, Taylor (*Norfolk*), Turgeon and Wall.

In attendance: The Official Reporters of the Senate.

The following witnesses were heard and questioned:—Mr. James A. Roberts, Deputy Minister of Trade and Commerce; Mr. C. V. Parker, Director, Agriculture Division, Dominion Bureau of Statistics; Dr. J. F. Booth, Director, Economics Division, Canada Department of Agriculture; Mr. Morgan Mahoney, Assistant Director, Small-Business Branch, Department of Trade and Commerce; Mr. A. D. Holmes, Director, Prices Division, Dominion Bureau of Statistics, and Mr. V. J. Macklin, Director, Economics Branch, Department of Trade and Commerce.

At 12 Noon the Committee adjourned to the call of the Chairman, tentatively set for Thursday, May 26th, 1960, at 11.00 a.m.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE
SPECIAL COMMITTEE ON LAND USE IN CANADA
EVIDENCE

OTTAWA, Thursday, May 12, 1960.

The Special Committee on Land Use in Canada met this day at 11.00 a.m. Senator Henri C. Bois in the Chair.

The DEPUTY CHAIRMAN: Gentlemen, will you please come to order. With the permission of our guest, I would like first of all to bring to your attention a situation which may result in some changes in our meetings. On Tuesday, May 17, at 2. p.m., a representative of the Department of Labour, an Assistant Deputy Minister, Mr. G. V. Haythorne, will be here. Mr. Haythorne is leaving next week and that is about the only date that we could arrange for him to be here. I mention this in order that you may be able to arrange your program accordingly because I am sure Mr. Haythorne will interest us considerably in connection with the question of the employment of people who are leaving the rural areas and going into industrial or other types of occupation. On Thursday next, May 19, we shall have our regular meeting, and that applies also to Tuesday, May 26.

Gentlemen, we have pleasure in welcoming today representatives of the Canadian Chamber of Commerce. The Chairman of the Executive Council of the Chamber of Commerce, Mr. Keefer, who is sitting on my right, has been good enough to accept the task of introducing his companions and without further introduction I will ask him to introduce them.

The Chamber of Commerce, through its representatives, will be presenting to us today a brief covering seventeen pages, and Mr. Keefer has expressed the desire that any questions that may be asked in connection with this brief be deferred until the brief has been presented.

I would ask him now to present the brief and I would like to thank him in advance for this contribution to our studies.

Mr. KEEFLER: Thank you, Mr. Chairman and gentlemen. With me today we have Mr. Jack Whyte, who is on my right. Mr. Whyte is chairman of the agricultural committee of the Canadian Chamber of Commerce. Beside him is Mr. Richardson, who is manager of the organization of the service department of the Chamber of Commerce, and we have also Mr. McNally, who is manager of the policy department of the Canadian Chamber of Commerce.

Mr. Richardson and Mr. McNally are permanent staff employees of the Canadian Chamber of Commerce.

Now, as you probably know quite well, the Canadian Chamber of Commerce is a national federation of over 750 Boards of Trade and Chambers of Commerce which exist across Canada, and these boards and chambers, of course, are established to promote the civic, industrial and agricultural progress of the communities in which they operate. The executive council is the body appointed by the national board of directors governing the Chamber of Commerce, their function being to carry on the ordinary business of the chamber during interim periods between meetings of the board, and it is in the name of the executive council that this submission is being made to this committee today.

I would like to make it clear that the executive council of the chamber is not coming here with the concept that it knows all the answers to your problems. We believe that you are attempting perhaps to identify all the aspects of the problem, and when those conclusions are reached the chamber may be in a position to undertake certain helpful measures. What we are trying to do in our brief is to make clear to this committee what action has been taken through the Chamber of Commerce movement throughout Canada in respect to agricultural-cum-industrial—that is, local industrial—problems and the maintenance of the economy of the small towns, and to try to make clear what the basic policy of the chamber is and what position it would take in respect to legislative versus self-help measures designed to improve the situation in the smaller communities.

Now, if it is agreeable to the committee I would prefer that Mr. McNally read the brief, and the rest of us will try to listen carefully and be prepared to answer any questions which we can at the end of the reading.

Mr. W. J. McNALLY, *Manager of the Policy Department, Canadian Chamber of Commerce*:

Mr. Chairman and Hon. Senators,

The Executive Council acknowledges receipt of the Chairman's letter of March 9th, extending to the Chamber an invitation to present a brief to your Committee. In the letter you note that the Committee commissioned a special Committee from the Federal Department of Agriculture to review the Rural Development Program in the United States and to bring back a report.

In the Chairman's letter to the Chamber, it was noted that the Committee wished to obtain a brief from the Chamber on certain aspects of this Rural Development Program. We understand the Chairman had in mind the establishment of small rural industries, especially in under-employment and marginal areas of Canada, where many young men find it necessary to leave the farm and make their way in the labour markets of the larger centres. The Chairman pointed out that a thorough study of this problem might suggest to governments and rural communities that the development of rural industries may be effected by full co-operative effort on the part of interested parties—not only governments but local organizations such as Boards of Trade and Chambers of Commerce, Retail and Manufacturers' Associations, Church Organizations, etc.

INTRODUCTION

Structure and Functions of the Chamber Movement

The Canadian Chamber of Commerce is the voluntary federation of more than 750 Boards of Trade and Chambers of Commerce in all parts of Canada. These Boards and Chambers are established to promote the civic, commercial, industrial and agricultural progress of the communities and districts in which they operate. Seventy-five per cent of these Boards and Chambers serve areas of less than 5,000 population.

The Chamber including among its objectives the development and presentation of an informed public opinion and the securing thereby of effective action by the national legislature upon questions relating to the economic and public welfare. The Chamber aims at supporting and developing the Canadian system of representative government and the preservation and further improvement of Canada's economic system based upon private initiative and individual enterprise.

In addition to the local level and the national level, there exist in Canada groupings of Boards of Trade and Chambers of Commerce, whereby local Boards and Chambers within a province organize themselves into provincial federations to deal with matters of provincial concern.

This brief is submitted by the Executive Council of The Canadian Chamber of Commerce, which is the body appointed by the National Board of Directors, the governing body of the Chamber, to carry on the ordinary business of the Chamber during the interim between the meetings of the Board.

Policy of The Canadian Chamber of Commerce Relating to Agriculture and to the Work of the Senate Committee

There are set out hereunder extracts from the existing policy of the Canadian Chamber, both of which can be found in the fully approved policy on agriculture:

"Sound and prosperous agriculture is vital to Canada's economy. The interests of industry, agriculture and labour are interdependent and full understanding of each on the part of the others is necessary to the development of Canada..."

"The Chamber notes with satisfaction the hearings that the Senate Committee on Land Use in Canada has conducted. It is hoped that these hearings will be continued and that a final report from the Committee will be issued at the earliest practicable time."

EMPLOYMENT IN RURAL INDUSTRIES

The Chamber has been asked to comment on the establishment of small rural industries, especially in under-employment and marginal areas in Canada, where it is stated many young men find it necessary to leave farming and to make their way in the labour markets of the larger centres. In this connection, it is noted in the Gordon Commission Report that between 1946 and 1955 the physical volume of output per farm has increased by 30 per cent and the gross physical output per manhour by almost 75 per cent. It is projected in the Gordon Report that by 1980 the percentage of the civilian labour force engaged in agriculture will drop to 7.6 per cent as compared with 15.3 per cent in 1955.

We feel that a useful contribution can be made to the Committee by describing the facilities available through the National Chamber of Commerce, the provincial Chambers of Commerce and the community Boards and Chambers.

The National Chamber

(a) Industrial Development

The national Chamber is concerned with industrial development. It develops policies, produces material, conduct courses and provides information to local Boards of Trade and Chambers of Commerce in securing industrial development. In its policy declarations there are two policies specifically relating to industrial development. The first, entitled "Manufacturing", reads as follows:

One of the generally recognized and accepted goals of a free society is to maximize the output of goods and services by making the most effective use of a nation's resources of manpower, technological knowledge, raw materials, plant, equipment and money. In other words, new scientific discoveries and technological advances have to be fully utilized. Raw materials have to be converted into finished products in the most efficient manner and productive resources have to be directed into those areas which will yield the highest output per unit of effort expended. The nation would fall short of achieving this objective without a high rate of industrialization and a fully developed and healthy manufacturing industry. A diversified expansion in manufacturing not only provides the purchasing power for expanded markets and larger job opportunities but promotes economic stability, national self-sufficiency and preparedness.

The second pertinent policy is an extract from the International Trade Relations policy and reads as follows:

The Canadian Chamber of Commerce believes that expansion of trade with all countries under arrangements consistent with national security is essential to the maintenance of Canada's position as one of the foremost trading nations of the world. The Chamber, recognizing the importance of ready access to foreign markets for Canadian products, considers that Canada's trade policy should aim for extension of currency convertibility and the observance of the spirit, principles and terms of the GATT by all nations. The Chamber believes that consistent with these principles in foreign trade, the most favourable possible climate should be maintained for increasing industrialization, so that, by effective use of all Canadian resources, a rising volume of employment and improved standards of living may be achieved.

The national Chamber acts as a clearing house for industrial enquiries that are directed to it. The enquiries are disseminated to the local Boards and Chambers for their processing.

For Board and Chamber Managers, the Canadian Chamber of Commerce conducts The Canadian Institute for Chamber of Commerce Management. This Institute has been operating for thirteen years and provides instruction in the theory and practice of efficient Chamber of Commerce and Board of Trade management. Included in the courses given are lectures on industrial development. The Institute further provides for a useful exchange of ideas among personnel of Boards and Chambers in communities of all sizes.

(b) *Tourism Development*

In our view, tourism can be considered as a rural industry where the topographical, historical and other features of the community lend themselves to tourist development. The Canadian Chamber of Commerce is concerned with tourist development, and there was read into the records of the latest Federal-Provincial meeting on tourism a Chamber declaration from our Annual Meeting that concludes with these recommendations:

1. The Canadian Chamber of Commerce urges its members to participate to the fullest extent with governmental and private groups in the conduct of vigorous tourist promotion campaigns;
2. The Federal and Provincial Governments are urged to publicize national and provincial parks, to develop and maintain good highways and to encourage the construction of more accommodation and recreational facilities along the routes of tourist travel.

The Canadian Chamber has produced and distributed a booklet on Tourist Development subtitled: "A Plan of Action for Tourist Development". This booklet points up the importance of the tourist industry, and notes that farmers benefit greatly from the tourist trade, as it forms a first class "Export Market" for agricultural products. It has been estimated that in a good year tourist visitors to Canada consume four million pounds of butter, four million dozen eggs, eighteen million pounds of beef and other farm products in like proportions. The foregoing booklet notes that tourists are the best markets for really distinctive handicraft goods, and suggests, among other things, the development or utilization within the community of skills capable of turning out attractive and saleable souvenirs. The importance of the tourist industry to a given community, and hence to the Committee's consideration, is well set out in paragraph 85 of the Third Report to the House of Commons of the 1959 Standing Committee on Mines, Forests and Waters. This paragraph reads:

Your Committee believes that the impact of the tourist industry upon the national economy is not fully realized, that statistics made

public show only part of the picture; and that the benefit to Canada is declining from lack of attention and failure to obtain a sufficient proportion of the rapidly increasing United States tourist spending. Spending in Canada by visitors from all countries in 1958 was approximately \$352 million, and this figure shows only the primary distribution of tourist expenditures. But secondary distribution of these funds in buying supplies and services, employing labour and paying taxes, circulates more "fresh" dollars in a given community than most other forms of industry.

All of the foregoing indicates the job-creating potentialities of tourism in rural areas.

(c) *Agricultural Development*

The Chamber has produced booklets dealing with the utilization of by-products of agriculture for industry. These include booklets on the vegetable oils industry, starch and gluten from wheat, the utilization of straw in Canada and the Canadian seaweed industry. The Chamber has also prepared a booklet on the use of farm wood-lots, which is a means of non-farming income for people who can utilize this type of operation. The foregoing booklets are directed towards industrial development. Their suggestions would also, of course, have a direct impact on the utilization of farm products as these products are the raw material for industrial application.

The Canadian Chamber of Commerce helps local Boards and Chambers to develop the agricultural part of their function. This is done in the following ways:

- (a) by suggesting the type of activities that can be carried out at the local level through agricultural committees;
- (b) by dealing with this subject at the Institute referred to above;
- (c) by the work of the national Chamber's Agricultural Committee, whose membership is drawn from men of both the business and farming communities, and from men who serve the farming industry;
- (d) by developing policies in the agricultural field for dissemination to local Boards and Chambers for their guidance in developing agricultural activities. One of the recommendations in these policies is that local Boards of Trade and Chambers of Commerce undertake a more extensive program to promote closer understanding between urban and rural people;
- (e) by the publication of the periodical "About Agriculture", which is concerned with agricultural problems and the betterment of urban-rural relations. Your Committee, Mr. Chairman and Gentlemen, was the subject of a full issue in December, 1957. The foregoing recital points up the importance of agriculture in the eyes of the Chamber, and Chamber activities in securing its advance.

Provincial Chambers

As noted, one of the levels of the Chamber of Commerce movement is the grouping of local Boards and Chambers into provincial federations, which concern themselves with industrial development problems, with tourism and with agriculture. They have committees in these areas and they develop policies. They provide the focus for the interest and work of local Boards and Chambers at the provincial level.

The Local Boards of Trade and Chambers of Commerce

(a) *Industrial Development*

The 750 Boards of Trade and Chambers of Commerce federated into The Canadian Chamber of Commerce are working hard to develop industries in

their communities. Having in mind that 75 per cent of the Boards and Chambers bederated in the national Chamber are in communities of 5,000 or less, it can safely be claimed that there are, in rural communities, interested citizens working under private enterprise to bring suitable industries to their communities.

As a matter of fact, in a complete survey conducted by the Chamber in 1954, 41 per cent of the respondent communities in the 5,000-or-less population category had formally established Industrial Development Committees. To indicate how this trend has increased, in the replies to date received in connection with a current survey, 54 per cent of the respondents have set up Industrial Development Committees.

The Committee will be interested in some concrete examples of industrial development activities of local communities. One Chamber in Ontario has been instrumental in getting its second industry through the efforts of an Industrial Development Corporation. The sale of shares to the public was made, with the money from which the construction of a factory took place. Another Ontario Board of Trade completed a "Survey of Open Capacity" in local industrial plants. Under 17 headings, the survey lists in detail the types of work that can be handled by the various industrial plants, as well as their capacities.

In Manitoba, through the instrumentality of the local Board, a wood-treating plant was established which provides work for 9 men in summer and 35 men in the other seasons. This plant utilizes local forestry and was financed by local public subscription of shares and by an Industrial Development Bank loan.

The foregoing are just a few examples culled from our records of the work of Boards and Chambers in industrial development. This work is carried out with the knowledge of what industrialization means to a community. A C.N.R. Industrial Development booklet illustrates the effect of 100 additional manufacturing workers. It means 427 more people, 117 more non-manufacturing workers employed, 131 more households, 393 more telephones, 66 more school-children, 3 more retail establishments, 187 more motor vehicle registrations and \$393,000 more retail sales per year. The work of industrial development is a central function of local Boards and Chambers, who recognize its importance to their communities' economic advance.

In the field of economic development, mention might be made of the Atlantic Provinces' Economic Council (APEC). The Maritime Provinces Board of Trade was instrumental in the formation of this Council, which is modelled on the New England Council. APEC is a non-profit, non-governmental organization. It performs both research and promotional functions and one of its chief tasks is to provide up-to-date information about Canada's Atlantic Provinces and to see that the information is disseminated. Shortly after its formation, APEC established four permanent working committees on Trade, Tourism, Power and Agriculture. The concept of self-help and co-operative action runs strongly through APEC activities.

Another area of a regional development nature is the participation by Boards of Trade and Chambers of Commerce in the various development associations in Ontario. The Regional Economic Development Programme is carried out under the aegis of the Trade and Industry Branch of the Department of Planning and Development, but a major role in the Government's program is played by seven regional development associations which again stress the principle of self-help and initiative. Chambers of Commerce and Boards of Trade in Ontario are participating and contributing to the work of these regional development associations.

The Executive Council was interested to note in the Federal Department of Agriculture Report that the germ of rural development was conceived by groups of rural people working at the community level. It was noted that an early example of organization by farm, business and industrial leaders into groups for rural development was spearheaded by a Chamber of Commerce. Strong programs by the local Chamber had obtained good results in the areas of industrial development and tourist trade. These groups also hired farm-management service firms for a team-work proposition to form a "Partnership for Progress" campaign. The businessmen provided capital and promotional effort and the agricultural agencies provided guidance and technical knowledge. It is noted that the Federal Department of Agriculture Report states that the businessmen were rewarded by an increase in retail sales and the industrial firms were encouraged to locate plants in the area. The desire for better homes and communities and a higher standard of living was whetted.

(b) *Tourism*

The mention of tourist development in the foregoing résumé leads us to remark that in the current survey referred to previously, 48 per cent of the respondents in the under-5,000 population category have established tourist committees. Many examples of tourist development activities by local Boards of Trade and Chambers of Commerce are found in the national Chamber's files. These local organizations are in many cases the Information Centres for tourism in an area. They send out literature, answer mail queries and set up information booths. A small town in Ontario has a budget for tourism of \$22,000, or \$2.00 per capita—one of the highest in Canada. The Tourist Bureau handled more than 6,000 tourist enquiries from September to April.

Another Ontario town set up a "Fish Fry for Small Fry", which drew a considerable number of children and their families. Another Chamber in Alberta explored camping facilities in its region and was instrumental in getting the community to establish a camp site. This Chamber, and another Chamber, gave study to the possible establishment of a provincial park. Several Chambers promoted Courtesy Campaigns for tourists, realizing the importance of this quality to the tourist business. A British Columbia Chamber conducted a Peach Festival, developed boat-launching ramps and arranged for visits by travel editors and tourist officials from the United States. The foregoing few examples indicate the importance of tourism to local communities, as evidenced by the work in this area by local Boards and Chambers.

(c) *Agricultural Activities*

This catalogue of the activities of local Boards and Chambers would be incomplete without mention being made of the agricultural committees that are found in the population category of under 5,000. Nearly 40 per cent of the respondent communities have established such committees. These committees are concerned with such matters as the following: forums, agricultural meetings, business-farm days, better urban-rural relations, agricultural extension courses, livestock improvement, land clearing, irrigation, marketing services, processing plants, farm markets.

As an example of the interest of local Boards and Chambers, there was conducted in March of this year the first National Farm Forum of the Winnipeg Chamber of Commerce, arranged by its Agricultural Bureau, entitled: "The Farmer and Agriculture in Canadian Affairs". This brought together businessmen, Government officials, agricultural people and labour, and resulted in a cross-fertilization of ideas. They dealt with such topics as the farmer and his organization, the farmer and his markets and the farmer and finance.

Other Chambers and Boards have developed the area of rural-urban co-operation. A provincial federation sponsored a "workshop" which dealt with

"Farm and Town". This session emphasized the social and recreational needs of rural communities. A Western Board, in co-operation with the University, put on an Agricultural Short Course. This course dealt with such items as farm financing, price fluctuations, livestock and field crop problems. A ladies' course was run concurrently and featured discussions on home management, farm beautification, home crafts, nutritional and sewing lessons. An Ontario Chamber held a Tomato Festival which included a growers' competition. Held concurrently was a two-day school for the benefit of tomato growers. A Maritime Board held their annual Strawberry Festival, claiming that their strawberries were the biggest and finest in the world.

CONCLUSION

One of the keystone policies of The Canadian Chamber of Commerce relates to the resourcefulness of individual freedom and individual enterprise. The policy states in part:

"Once business, or the people in general, believe that they can turn to government in every difficulty, the springs of initiative and self-reliance will run dry. The Chamber puts its faith in the resourcefulness of individual freedom and individual enterprise. It believes that the resourcefulness of individual freedom and individual enterprise is the true way of ensuring the highest possible standard of living for the whole Canadian people."

We feel that when the problems of the rural community come to be better defined, the Chamber of Commerce movement, both at the national and particularly at the local level, will be ready and willing to make a contribution to the solution of these problems. We believe strongly that the individual should always be given the opportunity to help himself and that by joining with others in his community, a considerable contribution can be made, with the concomitant of greater maturity, greater self-reliance and greater initiative.

We appreciate the opportunity to come before the Committee to explain what the Chamber of Commerce movement has done, can do and will do in this area, and trust that this submission has been helpful to the Honourable Senators in the important task that has been set for them by the terms of reference of their Committee.

THE DEPUTY CHAIRMAN: Mr. McNally, I wish to thank you for this brief and to congratulate you. The brief clearly sets out the program you have in mind. I may say that I have been associated with some Chambers of Commerce and from my experience with them I can assure this meeting that they mean what they say, and, if possible, they mean more what they write. The brief gets down to the facts and is precise and clear. It is the kind of document we like to have. Are there any questions?

Senator STAMBAUGH: Would Mr. McNally or one of his associates give us a definition of Board of Trade and Chamber of Commerce, and indicate the distinction between them?

Mr. McNALLY: The terms in Canada are synonymous: Board of Trade and Chamber of Commerce really refer to the same type of organization. These are local organizations, called in some communities Board of Trade and in others Chamber of Commerce, but they both do the same sort of work, being organizations of business men, professional men and representatives of the farming communities, who get together with a view to developing the civic, industrial, commercial and agricultural resources of the various communities for the improvement of the community of the area in which they operate.

In Canada a Board of Trade or Chamber of Commerce is the same kind of organization though they have different names, for they do the same things and are federated in the Canadian Chamber of Commerce, of whom we are

representative, which is the national federation of these local community Boards of Trade and Chambers of Commerce, and they add up to over 750 organizations in Canada.

Senator STAMBAUGH: In reality, then, there is no difference, except in the name?

Mr. McNALLY: That is right.

Senator STAMBAUGH: I have noticed that in the larger centers they are called Chambers of Commerce, while in the smaller communities they are known as Boards of Trade.

Mr. McNALLY: That is not quite right.

Senator TAYLOR (*Westmorland*): Is it true that they have Boards of Trade and Chambers of Commerce in some towns?

Mr. McNALLY: No. In Montreal the English-speaking board is called the Montreal Board of Trade; the French-speaking board is known as La Chambre de Commerce of the district of Montreal. That is the only place in which there are two community organizations in the same area.

Senator TAYLOR (*Westmorland*): In my town we have a Board of Trade and a Chamber of Commerce.

Mr. McNALLY: There is also the federation of junior Chambers of Commerce. These are an autonomous grouping of young men up to the age of 35 who organize themselves for self-development mainly and for helping their communities, but they are not federated in the Canadian Chamber of Commerce; they are federated in the Canadian Junior Chamber of Commerce. It may happen, as in the senator's community, that the senior board is called the Board of Trade and the junior organization is known as the Chamber of Commerce, but they are of different age groupings and while they are related in a sense, their purposes are somewhat different.

Senator HIGGINS: Tweedledum and tweedledee.

Mr. McNALLY: Take your choice.

Senator McDONALD: I am pleased to add my word of appreciation to those of the chairman in thanking these gentlemen for having presented the facts set out in this excellent paper we have heard this morning. I was particularly impressed with what was reported here on trade.

If I might, I would like to draw your attention, Mr. Chairman and gentlemen, to the fact that there is something that could be done for us, which we would deeply appreciate, and it is this. You might try, gentlemen, to bring emphasis to bear through your various Boards of Trade and Chambers of Commerce in co-operating with the Government to make sure that we are not outside of these trade groups that are forming in western Europe. This is important. There was a time when it could be said that the only people who found themselves caught in the cost-price squeeze were the farmers and the fishermen and the producers of natural products on the east coast. Today, however, I think it is quite correct to say that people everywhere in Canada, in industry, in our factories, and in other lines of endeavour, are all caught in the cost-price squeeze and if we are not very alert and do not become associated with one or other of these marketing groups or both, if possible, I am afraid we shall lose our markets.

So far as the original Six that were formed are concerned, their work has proven so satisfactory among themselves that in the coming year they are expecting an increase of, not 10 per cent but 20 per cent.

I think it is correct to say that the people of the United States are now aroused, and I trust that the Canadian people are becoming aroused to the situation and that we shall in the very near future identify ourselves as closely as possible with the twenty nations that have union in Europe.

I also wish to thank the delegates for their kind references to the Atlantic Provinces Economic Council. We feel that they are doing excellent work and they certainly justify our support. I say this, speaking as a member of the Halifax Board of Trade and as representing my own town of Kemptville.

Mr. KEEFLER: May I say, Mr. Chairman, that Senator McDonald's views and his concern with respect to the Six and Seven organizations, or federations in Europe, are shared by the Canadian Chamber of Commerce, and at its annual meeting last October one of the resolutions passed was that the Canadian Government be urged to intensify its study of the implications of the original economic alliances and to keep Canadian producers informed of the particulars of problems that may be presented.

I think all of us realize that this movement is developing very rapidly. I do not think that anyone is certain what direction it is going to take, but undoubtedly there are serious potential implications as far as Canadian export trade is concerned, and the Canadian Chamber of Commerce intends to keep its eyes and ears quite open, and it would certainly hope to make constructive recommendations to Canadian businessmen and to government, in so far as either of these bodies might be able to help our national economy, particularly as regards export trade.

Senator McDONALD: The Chamber of Commerce and the Board of Trade can be of great assistance in co-operating with the Government to get action as speedily as possible.

Senator WALL: Is it permissible to ask some questions and, so to speak, to act as devil's advocate? I apologize for the fact that I was not present at the very beginning, but I glanced over the brief and listened to the latter part of it and I wish to pause for a minute on the conclusion.

Before I pose my question, may I say how much I appreciate the work of the Chamber of Commerce in the attempt it has made to help in the defining of the problems of our rural communities. I rather regret, however, the following statement that appears on page 17 of the brief:

"We feel that when the problems of the rural community come to be better defined, the Chamber of Commerce movement, both at the national and particularly at the local level, will be ready and willing to make a contribution to the solution of these problems."

I would advance the proposition that in the very forefront of the defining of these problems should be the leadership of the Canadian Chamber of Commerce, and that somehow, with the help of the agricultural community representatives, these problems should be studied, if we can define them and if we can alert the people of Canada to their gravity and the needs that exist. If we can do this, we shall have won half the battle. For that reason I say that I regret somewhat the rather passive tone of that last statement which I have quoted.

May I ask this: In the opinion of the Chamber of Commerce—people who have so much experience—how can these problems be defined at the local community level? I ask that question for this reason: Once they are defined—and it appears from the experience of the United States that this is true—once the community realizes the problems, then it is motivated to do something about them. I realize that that is a rough question.

Mr. KEEFLER: We have discussed this question and perhaps Mr. McNally could express our own over-all view.

Mr. McNALLY: Senator Wall and gentlemen, I assure you that we did not intend to convey anything in the nature of a passive note in the sentence which has been quoted. What we are attempting to say at that point is that your committee is trying to sort out these problems—the question of land use, the

utilization of soil and that sort of thing—and we are saying that when your report finally comes down, this over-all sorting out, we would assume, would find expression in that report. At the local level, and that is your main concern, there is quite a bit of sorting out and defining work being done by the local communities. They do this work in various ways. First of all, they do it by trying to define what community problems are, and this is one of the main functions of the local Board of Trade and Chamber of Commerce, in consonance with other community leaders. They are trying constantly to find out what it is their community has by way of resources which they can offer to the rest of Canada and to the world at large, and having done the necessary intellectual exercise of discovering these things they try to apply initiative and to take action towards the solution of these problems.

Mr. Richardson is the manager of our organization service and until lately has been working in the field and perhaps he can elaborate on that, as to how local boards operate in the development of these solutions, and he can give an example of some of the ways in which it can be done.

MR. RICHARDSON: In practically all cases the local Board of Trade and Chambers of Commerce plan their work at the beginning of each year, with short-term and long-term projects in mind, in other words, some projects that will be completed in that one year, others extending over three or four or five years before completion. The main job at the beginning of the year is to see what the needs of the community are and then form the necessary committees and then attempt, to the best of their ability, to do something about those needs; and they are working particularly in the smaller areas. We differentiate between 5,000 and under, and 5,000 and over, but particularly in the smaller communities they are working primarily to establish better urban-rural relations, to establish a better business climate than prevails in their own community and in their own area; and the only possible way in which they can do that is to dig into what they feel the needs of their community are and then, in their own community, in their own area, by getting together with other organizations, with other boards and chambers within the area, they draft a plan that will make things better for the whole community.

That is done first of all at their own community level, then at the area level, then at the provincial level; but it is by the co-operation of all the boards and chambers along with other organizations working together that they have achieved results and it is from these results the answers to these problems will appear. But, particularly in the smaller areas, this is something they are working on. We realize that there are problems and they are all trying to overcome them.

SENATOR WALL: I am from Manitoba and I am thinking of such places as Beauséjour, Lac du Bonnet and Lebeau, and I would like to ask this question. To what extent is cross-fertilization, if I may use that expression, between the business community and the professional groups, those generally belonging to the Chamber of Commerce, and on the other hand, the farming community and other people? To what extent would there be within a local Chamber of Commerce unit representation for the farming community and so on, so that the organization would be fairly representative generally of the community as such? Would there be some liaison with other groups? What happens in such cases?

MR. KEEFLER: This question has been discussed extensively in the chamber and Mr. Whyte is here and I think that he can answer it specifically.

MR. WHYTE: Mr. Chairman and honourable senators, this is a problem which has been faced up to in many communities. There are some small areas where there are Chambers of Commerce which are composed almost entirely of farm representatives. I participated in the formation of one of these cham-

bers some years ago and there were five merchants in the organization, the rest being farmers, and the organization developed into something much more than a Chamber of Commerce; it was the local service club among other things. This happens frequently in small areas. In the larger centers we have agricultural committees in our chambers and they are quite active, their main purpose in life being to make the town a little more attractive to the population with a view to attracting business. This is perhaps a selfish motive, but they try to foster relations by putting on rural-urban nights when they bring some noted speaker on agricultural subjects to address the people and have a get-together afterwards, when merchants and farmers can become better acquainted and discuss their mutual problems.

Of course, there is the Ontario Chamber of Commerce, or the Chamber of Commerce in the provincial area, which does similar types of work. It encourages, as does the Canadian Chamber of Commerce, the local chamber to greater activity and it offers these local bodies ideas and advice on how to improve their situation.

Mr. KEEFLER: It would be fair to say, I think, that the chamber recognizes the desirability of encouraging participation of the farmer in the various Chambers of Commerce.

Senator WALL: I am not trying to be critical; I am merely looking for information.

Mr. KEEFLER: I realize that. This year we have completed an extensive study of farm safety and one of the reasons the Canadian Chamber wanted to do this and was willing to spend money to do it was to demonstrate to the agricultural community that the Chamber of Commerce was not an entirely selfish industrial type of organization, that it had an interest in the farm as well as in industry, and was equally interested in the merchant and the businessman. We are anxious to have all these people present their views.

Senator WALL: But there is a stereotype which we have to fight down—in other words, an opinion.

Mr. KEEFLER: There are opinions, yes, and selfish opinions, but the Canadian Chamber, I think I can safely say, has a reputation with members of government of doing a fairly disinterested job in relation to any segregated interest. I trust that it is obvious in our brief that we have not attempted to promote any idea or any such solution to the problem as would result in a special benefit to any particular element of the economy. The Canadian Chamber of Commerce makes a sincere effort to avoid that type of approach to the Canadian scene.

Senator TURGEON: In connection with the question raised by Senator Wall, it is not necessary for me to point out that the chief obligation and responsibility of this committee is carried out here in the statement that they must properly define the problems of the various communities. The very title of the committee—Land Use—suggests the regard for the problems of the rural communities, and in order to discharge our obligation in that respect we have been making studies. In this connection, I must express appreciation of the work of the Canadian Chamber of Commerce as reflected in the brief which is before us. It will be of great help to this committee in coming to a proper understanding of the whole situation and in properly defining, when we make our reports, problems of the various communities and particularly the rural communities. The question raised by Senator Wall is an important one, and we must keep it in mind.

The DEPUTY CHAIRMAN: May I ask a question merely for the purpose of obtaining some information. I refer to paragraph (c) on page 8 of the brief—"Agricultural Development". This paragraph refers to certain booklets which

have been produced dealing with the utilization of by-products of agriculture for industry. In my opinion, this is an outlet for some forms of agricultural production which has not been completely surveyed. I am thinking of fibres, starch gluten and so on. In what ways is it intended to help the farmers? Perhaps Mr. Keefer would be good enough to explain something of the mechanics by means of which such help is extended. Some of our people have in mind the production of oils, for example. Where does the Chamber of Commerce come in so far as such by-products are concerned? What would be its attitude in that regard?

Mr. WHYTE: The Chairman has referred to booklets that we have produced dealing with by-products, which suggest in general terms what can be done with these things. These booklets are disseminated to various Chambers of Commerce across the country and if there appears to be an opportunity in any particular area of developing an industry along the lines suggested by the chairman—something of that sort—this, I suggest, would be the responsibility of the local community. It would be a responsibility of theirs to develop any such idea, though the Chamber of Commerce will provide what help it can in the way of advice and so on. If there is anything we can do in that direction we shall be only too happy to do it, but it is my opinion that the local chamber will have to develop the idea. We are glad to furnish general information so far as we can which will help in bringing such ideas to fruition, but when it comes to getting the practical use out of these ideas, putting them to work, so to speak, that is the responsibility of the local organization in co-operation with others who can assist.

The DEPUTY CHAIRMAN: I appreciate the fact that it is their responsibility; but suppose you had a shortage of oil and you were faced with the question of growing soya beans as one means of filling this need. If the local community were to ask you, "What are the possibilities in the way of markets and how can an economic survey be carried out?" Would the chamber be ready to supply information in that regard?

Mr. WHYTE: I feel sure they would; they would help in any way they could. But the farm organizations would know the possibilities. They could make enquiries of the various companies who manufacture oils to find out what the possibilities were, whether they would be interested in the project, and what the long-term view of the market would be. The chamber would help them in this regard so that they might find out what the future held for them. They could get information on export markets through other sources, and the local chamber would get a good deal of help through both the provincial and the national chambers.

Senator McGRAND: What is the attitude of the Chamber of Commerce to the co-operative movement as we find it in certain agricultural areas?

Mr. WHYTE: The Chamber of Commerce is of the opinion that the co-operatives have done tremendous work and that they are a useful organization. It is the general feeling of the chamber that they have prospered and they should be treated a little more like ordinary business along the same lines as other business enterprises are treated. This is the philosophy of the chamber. I know from my own experience that many of the co-operatives in Ontario are a lot bigger than most businesses and have just as intelligent management and in some cases far greater resources, and I do not see why preferential treatment should be given them tax-wise, or otherwise. The chamber as a whole feels that the co-operative movement is a good one and besides assisting themselves they help others. We are not very fond of some of the things that have resulted from their operations, such as compulsory marketing. I do not say this is the result of the co-operative movement because I do not

think it is. I felt this subject would come up and I must say we are opposed to the principles of compulsory markets.

Senator HIGGINS: What is compulsory?

Mr. WHYTE: In some provinces the farmers are compelled to market their products in a certain manner whether the individual wants to or not.

Senator TAYLOR (*Westmorland*): Now we are getting into argument.

Mr. McNALLY: I would like to elaborate on the statement that Mr. Whyte has made. We have a policy booklet called "Policy Declarations and Resolutions", and in this booklet there is reference to the question of co-operatives in relation to the tax situation. This comes under the heading of equitable taxation and there is reference to co-operatives in this category with respect to the tax position. Apart from that, we have no official statement.

Senator McGRAND: Is there something on compulsory marketing?

Mr. McNALLY: Yes, in our agricultural policy.

Senator TAYLOR (*Westmorland*): There are two sides to this question.

Senator McGRAND: A few days ago I received a circular letter—the monthly letter—from Capital Co-operative in Fredericton, containing a reply to an address made by someone in the Chamber of Commerce in Fredericton with attacks on Capital Co-operative on the question of taxation. In that area—Senator Taylor will endorse this—there is no compulsion upon the farmers to sell. It is in fact with great difficulty that the co-operative movement has been able to secure the co-operation of farmers and I was surprised at this rather severe attack on the co-operative movement from the Chamber of Commerce because I felt that that area would be much poorer today had it not been for that movement.

Mr. McNALLY: As the honourable senator has suggested, we could possibly get into a long discussion on the merits of co-operation or otherwise. We just have this statement in the booklet that has been referred to. We could go into the matter if that were desirable, but I am wondering if this is the precise time to get into a discussion of that sort. We can enlarge upon it, if you wish. We have made representations on the tax side which we would be glad to file with the committee.

Senator LEONARD: This aspect is purely a tax matter. This is a Land Use committee.

The DEPUTY CHAIRMAN: I do not think it is proper to discuss that question here; nevertheless, there are some facts that might be stated. I have been connected with the co-operative movement for twenty years and it is a voluntary association; at least in Quebec there is liberty. The individual can get in and get out, he can put in his money or take it out as he pleases. We have never had to complain about taxation. It is not true that we have tried to avoid taxation; we have paid our taxes. All business done outside is taxable, as any other business is, and it has amounted to tens of thousands; but the internal business is not in the hands of the co-operative, it is in the hands of the receiver. I do not think we should spend more time on this question. There have been all sorts of stories, but I know the situation in the province of Quebec is as I have stated.

Mr. KEEFLER: There is a short paragraph on this question in the booklet.

Mr. WHYTE: May I be permitted to read that paragraph, which explains the attitude of the chamber. It will be found on page 19 of the booklet. It is as follows:

While recognizing the right of the farmers to act together voluntarily with respect to the sale of their primary products, the chamber is opposed to the use of government marketing boards which adversely affects the

normal and free enterprise method of processing, manufacturing, transporting, storing, marketing and merchandising the processed products of the farm.

Senator TAYLOR (*Westmorland*): You closed me off, Mr. Chairman, but there is something I would like to say on this subject.

The DEPUTY CHAIRMAN: That is all right.

Senator TAYLOR (*Westmorland*): I have been connected with agriculture all my life, having always been a farmer, and I have heard various speakers refer to compulsory legislation in marketing as wrong, and all that sort of thing; I have heard it said that it was undemocratic. I would ask one question, however: "If there are 99 men in a community doing a certain job in the production of some products and those 99 want to do the job a certain way to work together, and one other fellow says no, he is going to follow his own course, and without hesitation or compunction is prepared to ruin the enterprise of the other 99, where is democracy about such a procedure? To me, that is as much dictatorship as anything we have in Canada. In my province no plan of this kind can be put into effect unless at least 80 per cent of those concerned are in favour of it. I could give illustrations to show what I am talking about, to show some of the results of the marketing program. I will just give one instance. On one occasion I sold two calves, one through the co-operative group and marketing board and the other without any compulsory feature at all, but sold it in the open market. One brought me \$21.35 and the other \$44.88. That shows the type of thing that has forced farmers to form organizations to present their case to governments in asking for legislation which will permit them to do a job for themselves. They do not want the state to do it; the farmers themselves want to do their own job.

Senator BARBOUR: Was there that much difference in value between the two calves?

Senator TAYLOR (*Westmorland*): No; they both weighed 305 pounds, or thereabouts, on the scale. I was there and I am a good judge of livestock, and there were four other men with me who did the trucking and they could not see any difference between the two calves. But those were the respective proceeds of the two sales. I could give you other illustrations, but I will not get into this any deeper at the present time.

The DEPUTY CHAIRMAN: I think it is out of order.

Senator WALL: I would like to go back to page 2 of the brief, where we are informed that the Canadian Chamber of Commerce covers 750 Boards of Trade and Chambers of Commerce in all parts of Canada. Would the gentlemen who have come here today, who have had experience with this kind of thing, care to venture an opinion as to how the chamber might give help, if not leadership, in organizing what one might call Community Improvement Associations, or anything of that sort, in places where there are no chambers? How can we extend these organizations? Is anyone acquainted with Manitoba—reasonably well?

Mr. KEEFLER: Yes.

Senator WALL: Is there a Chamber of Commerce in Swan River? I would not think so. Let us assume that the answer is no. How could the chamber assist such a community? Swan River is a relatively good community, and probably there are no particular problems there, but suppose you had a community of that type and the chamber proposed to extend assistance and leadership in organizing in that community with a view to do something for the benefit of the people there. I throw that out as a wild suggestion from left field.

Mr. McNALLY: There is one there.

Senator WALL: Then I chose the wrong place, but I am thinking of that kind of institution.

Mr. McNALLY: We have your point.

Senator WALL: I know there is one in Dauphin.

Mr. McNALLY: Yes.

Senator WALL: How can we have the Chamber of Commerce give leadership to that community to bring in, say, the Manitoba Farm Union, the Canadian Federation of Agriculture, representatives from the Teaching Association, and so on to consider the problems of the area?

Mr. McNALLY: Your province, senator, has shown particular leadership in this area. First of all, with respect to the formation of a local board or Chamber of Commerce in a community, may I say this.

Senator WALL: Let us suppose some place where there is no organization and the people want some sort of community organization.

Mr. McNALLY: The Winnipeg Chamber of Commerce, it has been indicated, conducted the first national farm forum two months ago and they brought in a variety of groupings.

Senator WALL: I know about that.

Mr. McNALLY: That sort of thing is repeated on smaller scale in other areas in the west where, in connection with a specific problem, they will bring in the Chamber of Commerce, which exercises leadership. This goes on throughout the various provinces as well as in Manitoba. They first of all have to define what their problem is and they try to cross-fertilize and bring in the thinking of various groups in the area, and the Chamber of Commerce has acted as a catalyst.

Senator WALL: That is really the first step.

Mr. McNALLY: That is right.

Senator WALL: The next question is: How does the Winnipeg Chamber of Commerce project itself into these local areas?

Mr. RICHARDSON: During the past year we have conducted seventy one-day seminars throughout Canada. You have mentioned Manitoba as an example. These seminars have been conducted during the course of the months from September last and will conclude next month. Five of these seminars were held in Manitoba last fall and seven have been held so far in the province, and Swan River and other places have been invited to participate. The seminars start at 9 in the morning and continue to 5 or 5.30 in the afternoon. During the day we have discussions, lectures and all the different activities of the local board or chamber, but the last hour or hour and a half approximately in the afternoon is devoted entirely to area problems, the discussion of those problems and related problems, and everyone gets into it because we hitchhike on one another's ideas. The problem you have in your own community has, no doubt, its counterpart somewhere else and all these various problems are discussed and we get the benefit of the answers. During the past twelve months we, the field men of the Canadian Chamber, have made over 800 visits and have practically covered from coast to coast every Board of Trade and Chamber of Commerce. The field men throughout Canada are always on the lookout for communities that have not as yet formed a Board of Trade or a Chamber of Commerce and while they are in the area on every trip they go into the communities that have no organization and talk to the business people, the president of the service club or other individuals in the community and try to stir up interest in this way.

When I started three years ago we had in Canada something like 725 or 730; today we have about 750. It shows that we are always eager and willing to assist and to send some one in to help in the formation of Board of Trade or Chambers, and we are working almost entirely in the small communities. In many of the board and chambers that I have visited, farmers are largely represented and they are very active members in almost every case. Unfortunately, there are many cases where there are not so many farmers on the membership, but, believe me, where there are farmer members they are active members of their chambers. Sometimes the farmer is president of the local board or chamber. We are always endeavouring to assist in forming new boards and chambers.

Senator WALL: That is very encouraging. I have one last question. When you have these seminars, are they for Chamber of Commerce members per se, or is there a wider representation?

Mr. RICHARDSON: Primarily it is for all members in the area of the boards and chambers, but not necessarily. I have been on some where outsiders have come in. They invite other people to attend, always in the hope that they will become members.

The DEPUTY CHAIRMAN: In your name, I thank these gentlemen for their attendance here today. We have had an interesting discussion and I am sure that we shall benefit from the views they have expressed.

Mr. KEEFLER: Thank you, sir. I hope we have been of some assistance.

OTTAWA, Tuesday, May 17, 1960.

The Special Committee on Land Use in Canada met this day at 2.00 p.m.
Senator Henri C. Bois in the Chair.

The DEPUTY CHAIRMAN: Gentlemen, will you please come to order. We have with us today Mr. Haythorne, the Assistant Deputy Minister of Labour, and I hope, in fact I am sure, that what he will tell us will be both interesting and instructive. He comes from the Department of Labour and besides Mr. Haythorne there are representatives of the Unemployment Insurance Commission. I have known Mr. Haythorne for some years. I knew him when he was in charge of the regulations with respect to labour in agriculture during World War II and I can only congratulate myself on having known him in those days.

Mr. Haythorne will present a general picture on behalf of the Department of Labour and its relation to the Unemployment Insurance Commission. I leave to him the task of introducing his colleagues.

Mr. GEORGE V. HAYTHORNE (*Assistant Deputy Minister of Labour*): Mr. Chairman and honourable senators, I should like to introduce the men who are here from the Unemployment Insurance Commission and from the Department of Labour.

Mr. William Thomson is the Director of Employment Service of the Unemployment Insurance Commission. Mr. F. M. Hereford is the Director of the Special Services Branch of the Department of Labour. Mr. Ross Ford is the Director of the Training Branch of the Department of Labour. Mr. D. Buchanan is engaged in research in agriculture and other primary industries in the Economics and Research Branch of the Department of Labour and Mr. A. D. MacDonald is in our Special Services Branch with Mr. Hereford.

As background for the discussion, we thought it might be helpful to outline briefly the principal activities of the Department and of the Unemployment

Insurance Commission in so far as they relate particularly to agriculture and other rural industries. There are four main activities carried on by the Department of Labour, in some cases in close co-operation with the Unemployment Insurance Commission.

Mr. Thomson, whom I have introduced, will amplify more fully on some of the aspects of the work of the Unemployment Insurance Commission.

If the committee would like to have other members of the department who are here amplify on any other aspects of our work in which honourable senators are particularly interested, they shall be glad to do so.

The first of the four main activities in which the department and the Unemployment Insurance Commission are active with respect to agriculture, is the Federal-Provincial Farm Labour Program.

This Program, through which we work closely with the provincial Departments of Agriculture was introduced in 1942, to help locate men and women needed urgently to assist with agricultural production during the war years.

The program was directed primarily to meeting the labour shortages that then existed. It included developing temporary shifts of farm workers from surplus manpower areas to other districts where their services were badly needed. It included also helping to encourage more people from urban centers to help during the harvesting season when there was a particularly strong need for extra labour.

The joint program has been continued since the war. The work of developing temporary shifts of manpower has continued within provinces, between provinces and in a number of instances internationally.

I do not want to go into details, but assistance has also been provided under the program in connection with immigration. This source of manpower was tapped immediately after the war as another means of helping to meet the labour shortages that existed in the postwar years.

There is another aspect of the program which I might mention briefly. We have attempted in co-operation with the provincial governments to encourage a full utilization of labour on the farm.

The current expenditures under this program, as far as the federal government is concerned, run around \$150,000 a year. The provinces contribute the same amount in respect of the items that fall within the program.

The items cover essentially transportation of workers from areas of surplus manpower to areas where there is a shortage and contributions towards the salaries of people taken on to help in carrying out the purposes of the program.

Over the years there has been developed a close-working arrangement between the provincial Departments of Agriculture and the Department of Labour and the National Employment Service of the Unemployment Insurance Commission. The program brings together the men in agriculture, particularly the field men, including the agricultural representatives, the agronomes and the district agriculturalists, as well as other people in the provincial Departments of Agriculture, who know or get to know the changing labour requirements on the one hand, and those in the National Employment Service on the other who know the sources of labour supply which can be tapped.

The second area in which the department is active with respect to agriculture is that of training. Here again we operate essentially on a co-operative basis with the provincial governments. Whereas in the case of the farm labour program, we work closely with the Departments of Agriculture, in this training program, we co-operate primarily with the Departments of Education and the Departments of Labour, in the provincial governments.

This federal-provincial vocational or technical training program was started in the thirties, actually before the joint farm labour program. In those years, there was a substantial backing-up of labour particularly young workers in

rural areas. It was in fact largely because of the need felt at that time to help youth improve their capacity for employment that this program was started.

There is a wide variety of facilities and activities carried on across the country, as far as rural youth are concerned, under this program. The principal type of training, as far as agriculture is concerned, is the diploma course. This course of five or six months usually during each of two winter terms is being offered in eight provinces.

During the 1958-59 school year, there were just under 2,000 students in these courses throughout Canada. Mr. Ford will be able to give more information about these and other training courses, if you are interested in following up on this matter in the discussion later.

Before leaving this area, I might say that in connection with the Skilled Manpower Training Research Program in the Department, a study was made during the winter of 1958-59 of existing training facilities for rural workers particularly those in agriculture across the country. This comprehensive examination was undertaken by Mr. Newcombe Bentley, Principal of the Vermilion School of Agriculture in Alberta. Should any of you be interested, you will find it contains some useful background information on the types of training facilities available for those on farms across Canada.⁽¹⁾

Mr. Bentley examined not only the courses I have mentioned—the diploma courses—but also the types of instructions given on a more informal basis and those provided in high schools.

I might add that facilities provided under the federal-provincial training program are available not only for youth from rural areas who wish to take courses in agriculture, but also for youth who are interested in receiving training courses to help them enter other occupations.

The third field I want to mention is that of research. In addition to the study I have just mentioned of training facilities across Canada, a number of studies have been made during recent years of other aspects of farm labour.

Based on these studies, a bulletin was prepared in the Economics and Research Branch in 1953 entitled, *The Farmer's Son*. This deals with the problems a farmer's son meets in connection with the taking over of ownership of a farm. A second bulletin was issued in 1954 entitled *Farm Safety and Workmen's Compensation*. A third called *Working and Living Conditions in Agriculture*, has also been issued in the meantime.

Mr. Buchanan is at present working on another study of the farm labour force. This covers trends in the farm labour force and some of the more important characteristics of manpower in agriculture. The results will be issued shortly in the form of another bulletin.

I come now to the fourth area of our activities touching on agriculture. This is the winter employment program. We have been engaged for some years in the Department of Labour, along with the Unemployment Insurance Commission, in a co-operative effort with other federal departments, the provincial governments, the Canadian Manufacturers' Association, the Canadian Labour Congress and a number of other national and local organizations to promote increased job opportunities during the winter months in all industries and in all provinces.

Under the Municipal Winter Works Incentive Program introduced in the fall of 1958 a number of projects have been undertaken by rural municipalities across the country. These rural municipalities have shared in the program in the same way as urban municipalities have done. The federal government for the last two winters, from the beginning of December through to the end of May, has provided through the provincial governments to every participating

⁽¹⁾ *Vocational Education in Agriculture*, Report No. 5C, Research Program on the Training of Skilled Manpower, Department of Labour, Canada, 1959.

municipality an incentive amounting to 50 per cent of the labour cost of accepted projects undertaken at this time of the year in certain specified categories.

Over the past winter, out of a total of around 2,600 projects, in the neighbourhood of 400 have been carried out in rural municipalities throughout Canada.

The projects undertaken by these municipalities have varied considerably. The main types have been connected with road work of various kinds, including major improvements to roads, clearing, and new construction work where this could be carried out equally well during the winter. Other types of projects undertaken have been drilling wells, sewer and water installations, work on bridges, stockpiling of gravel and the preparation of fence posts and bridge materials. In some areas the development of rural parks and playgrounds has also been carried out.

There is another program carried on by the federal government in co-operation with the provinces as part of the winter employment effort. This program—the development of camping grounds and picnic areas—has been introduced by the Department of Northern Affairs and National Resources. Obviously, work on this program has been concentrated mainly in the rural areas. It is restricted to the winter months, again on a 50-50 basis with the provinces.

These are the four main activities. In connection with the last one, Mr. Thomson may have something to say about the work of local employment committees organized throughout the country to help promote winter job opportunities. A number of these have been giving attention to steps that can be taken in the rural areas.

I might have mentioned in connection with the farm labour program earlier that there are federal-provincial farm labour committees which help to develop the program from year to year within each province. There is also an annual conference held in Ottawa, usually in November or December, to review the overall efforts under the farm labour program during the preceding twelve months and to plan the major features of activity for the year ahead.

There are a few more general comments about one or two other matters that might be added, Mr. Chairman.

We in the Department and in the Unemployment Insurance Commission are interested in problems of mobility of labour. We are interested to know more about why people move and also more about why they do not move.

One problem which I am sure is obvious to the members of the committee, so far as the low-income areas in Canadian agriculture are concerned, is the tendency of people to remain where they are even though it would be preferable from many points of view for them to move. They are interested in remaining in these areas and this interest is often due to their ties to the land—sometimes to pieces of land which may have been in the family for generations. There are other impediments, of course, to movement—often traditions are strong, there may be fear of the unknown, or perhaps more important there is limited education and a lack of adequate knowledge about alternative opportunities.

These people with low incomes and a low standard of living are often incapable of increasing their income where they are because all their efforts go into feeding, clothing and housing themselves.

What to do about these people is a matter of general concern. There are low income rural families in all provinces, and in some respects their problems are similar to the problems of people in low-income categories in newly developing countries.

Many of the people in these low-income categories are unlikely to be interested in shifting to other locations as long as their income is below a certain minimum level at which they might be expected to become interested in such movements.

If it is true that such people are not likely to be interested in shifting around until their income reaches a certain minimum level, we must not assume that the answer to their problems is necessarily one of shifting them out of the areas they now occupy. People are unlikely to wish to move unless it is economically and socially in their own interests that the shifts should be made; they need, themselves, in other words to be interested in such a movement.

What can be done to encourage these people to move when this is in their interests and in the interests of all concerned? There is a need in the first place of a careful examination of the resources these people are working with, including the manpower resources, and of the present uses being made of these resources. This involves considering many economic and social factors, many of which are closely interrelated.

In looking at these factors, it would be important to consider also the present use of the resources in the area in relation to their potential use. This, again, would involve a careful examination of all the factors as they exist in a given area to obtain not only a clear overall picture of the basic resources and facilities, but also gain the interest and support of the people concerned themselves in the examination and in developing improved patterns of resource-utilization. Such an examination of the present use of the resources, and then of their potential use would provide a basis for considering practical steps which might be taken in given areas either to improve the situation where low-income families are now living or to help people move from their present to another location whichever course the examination of the factors indicated was desirable.

In the first report of your proceedings this year, I was interested to note a similar type of approach suggested in the examination of current uses of resources in relation to their potential uses. This will be found on pages 44 and 45 in the report entitled "A Review of the Rural Development Program in the United States of America" which Dr. Booth presented to the committee with respect to the visit he and others from the Department of Agriculture made to the United States last fall.

In considering resources utilization in an area, a critical and full examination of what there is to work with in the area is essential. An active involvement of the people directly concerned should also be secured. These are important prerequisites before it can be known whether people should be moved elsewhere or not. It is a matter essentially of examining the basic physical and human resources and the prevailing conditions in those rural areas where low incomes prevail across the country, and then developing coordinated plans, where it is sound to do so, to help these areas through reorganization of their farms, through the development of other industries, through training and other programs. With such an approach, it might then be said with some confidence, that it is sensible for a positive program of redevelopment to take place in this area, or that it would be more advisable in the interests of all concerned to have fewer human resources devoted to agriculture and that steps should be taken—on a practical basis and with the active co-operation of all the people concerned—to have these human resources shifted elsewhere.

I might add that during World War II, when we tried hard to find manpower in some of these low-income areas across the country, we were not very successful in any of the plans we developed for encouraging people to leave, even though there were serious shortages of labour elsewhere. We were not very successful in encouraging people to leave, even though we were able to hold out some attractive economic opportunities in other areas.

Finally, the committee might be interested to know that there is on the agenda of this year's International Labour Conference in Geneva, starting on the 1st of June, an item for general discussion on raising incomes and living conditions in rural communities. Dr. Andal of the Department of Agriculture,

who is a member of our Canadian delegation to the conference this year, will be participating in this discussion. There may be observations made or information obtained on this occasion which will be of interest and assistance to this committee.

I should like to thank you, Mr. Chairman and honourable senators.

Senator HIGGINS: Is this labour program entirely under the Department of Agriculture?

Mr. HAYTHORNE: No, sir, it is under the Department of Labour. We have close co-operation with the federal Department of Agriculture in some aspects of our work, but the Department of Labour has the responsibility for the program.

Senator STAMBAUGH: What interest has the federal Government in the district agriculturist? Do we pay any part of his salary?

Mr. HAYTHORNE: We have no direct interest in many of his operations. We co-operate and provide for assistance in the labour field. We give staff assistance and help in other ways when he is working on farm labour problems.

Senator STAMBAUGH: Do you pay part of his expenses, or is a grant made for that?

Mr. HAYTHORNE: There are some items of expenditure that can be charged against the farm labour agreement, or that come under that agreement. Some of the expenses which the provincial agricultural field men incur might be related to the development of a successful recruiting program, the movement of labour from surplus to deficit areas, and that might be included.

Senator STAMBAUGH: But the work they perform is entirely under the jurisdiction of the provincial government?

Mr. HAYTHORNE: Yes.

Senator GOLDING: What system have you of training these people when they are in the schools?

Mr. HAYTHORNE: Mr. Ford might answer that question.

Mr. FORD: As Mr. Haythorne has indicated, there is a variety of programs, and in each of the provinces there are courses in agriculture which last, in each year or series of years, for about five months in the winter. Young people who have left the regular school system are brought in and given intensive courses in farm operation and management of different kinds and are then returned to the farm during the season when their services are required. They often return for a second term and, in some provinces, a third term. At the completion of such courses graduates are usually granted a diploma.

Another type of program offered for agricultural training are courses in agriculture forming part of the program of high education. About 50 per cent of the student's time is spent in the study of vocational agriculture while he is still attending high school. Another aspect is that of increasing importance in the total program of agricultural education, as evidenced by the number of short courses that are being given in the various provinces to different groups.

It may be for groups that are relatively small, or it may be larger groups, that meet for a day or two, or for a week. The number of persons attending these courses throughout Canada is very large. In fact, there are many more people attending these courses than there are in formal training programs. Between 75,000 and 80,000 adults attended a variety of short courses during the year 1958-59.

Senator STAMBAUGH: What were those short courses?

Mr. FORD: They may be anything from dairying to welding, electricity, methods of handling hay or farm machinery; they may study farm management, how to keep a set of books, how to keep farm records so that the farmer will know whether he will find himself on the red or the black side of the ledger.

Senator STAMBAUGH: How do you go about advertising your activities so that the young people will know that you are giving these courses?

Mr. FORD: Usually the advertising is done by the departments of education, or of agriculture in the various provinces. In most of the provinces these activities are advertised in the press.

Senator STAMBAUGH: There have probably been a good many courses in the country, and they give credit to the provinces, whereas you and your officials have been interested and have furnished some part of the teaching services provided. Is that correct?

Mr. FORD: In most of these programs I have been mentioning, the work has been done on a 50-50 basis with the federal government. In those cases where the federal government has participated, the provinces usually indicate that the program is of a co-operative character carried on by the federal government and the province itself.

Senator LEGER: Which are the provinces that do not grant a diploma?

Mr. FORD: Newfoundland and Prince Edward Island do not. To put it positively, the provinces that grant a diploma are: Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Senator SMITH (*Kamloops*): Would Mr. Ford comment on the decline of attendance at the old-type agricultural schools? Have these short courses taken the place of the short courses that used to be conducted by the district agricultural schools such as they had in Alberta and, to some extent, in Ontario? I have read that some of these have been closed; there has been a decline in interest and in attendance. Has the training that was so imparted taken another form and has there been any increase in the number of youths getting trained by other means?

Mr. FORD: The problem of getting attendance at these farm courses which extend over a period of four or five years has become increasingly difficult. With the increased mechanization necessary for production today, there has been a change in the kind of training that is required. There is greater emphasis and a greater requirement for training in farm management, and much of this work is being done in shorter sessions. I believe that the short courses are contributing materially to a greater number of people, probably not as intensive a training, probably not as extensive, but it is training of the kind that the individual needs now to cope with the problem that is facing him immediately.

I believe, Mr. Senator, that your suggestion is reasonably accurate, the short courses are taking the place of many of the longer courses and providing a considerable amount of training in this field which might formerly have been given in long-term courses. There is a different type of person attending these courses now. The sort of person who attends short courses today is the person who is engaged in agriculture personally, probably the entrepreneur himself, the owner of a farm. He is the person who is responsible for farm management and he is looking for help in making his operation profitable.

Senator HIGGINS: How long do the courses last?

Mr. FORD: Some of them a day; some of them a week; sometimes they last for three or four days; sometimes, two or three weeks.

Senator HIGGINS: One would not get a diploma for one day.

Mr. FORD: No, not for these short courses; but the thing to remember is that it enables the individual to deal more efficiently with some problem that is facing him.

Senator STAMBAUGH: I gather that there are more adults attending these short courses than young people, the sort of people who used to attend the agricultural schools.

Mr. FORD: So far as these relatively short courses are concerned, yes. The people who attend these courses cannot get away for four months at a time.

Senator STAMBAUGH: You have garage owners and such people taking short courses—mechanical courses?

Mr. FORD: They are not the same sort of short courses.

Senator STAMBAUGH: What about welding?

Mr. FORD: There have been special welding courses put on for farmers from rural areas, those people who want to acquire sufficient skill to repair farm machinery. The instructions that serve people of this type are not intended for those who must acquire sufficient skill to earn their livelihood in this occupation. When that is the objective, training is usually given in longer and more intensive courses, in trade schools or technical institutes.

The Deputy CHAIRMAN: May I ask whether you have any figures concerning the percentage of young men or young women who quit the country to go to the city looking for employment?

Mr. FORD: No, Mr. Chairman, I do not think I have.

The Deputy CHAIRMAN: I have never seen any official figures, but there is an agency, at least in my province, which has produced figures which show that there is no more than 32 or 33 per cent of the young lads who remain on the farm. The others go away somewhere. I was wondering whether you had any organization that would take care of these people.

Mr. FORD: The people who leave the farms?

The DEPUTY CHAIRMAN: Yes.

Mr. FORD: I believe there is an extensive program in Canada designed to provide training in a great variety of other occupations which would prepare such people to earn their livelihood in different ways. These courses are offered in provincial trade schools and institutes of technology which are located in virtually every province of Canada. This is part of our vocational and technical program. It is not designed to provide training sufficient for people who live in urban communities. I know that many of the students who take advantage of these courses are young people who were brought up on the farms and who are preparing themselves for earning their living in some other occupation. Our facilities in this regard are quite extensive in Canada.

The DEPUTY CHAIRMAN: Is any direction given at large to the rural centres for young people—directions as to where they should go? Is there any orientation provided for these people?

Mr. FORD: While they are attending secondary school and high school they can obtain information about the programs that are available in their own province. That is the first fact to be noted. Then there is an apprenticeship program for those who want to become qualified in designated trades. This program is pretty well advertised in each of the provinces. Many of the courses are advertised. The schools distribute calendars or prospectuses rather widely throughout the country, and it should not be difficult for any young person who wants training to ascertain where it is available in the province in which he resides.

The DEPUTY CHAIRMAN: Is it a joint task, as between the province and the federal government? If you speak only of provincial schools, I understand exactly what you mean; but does the federal Department of Labour provide some form of machinery whereby these country boys can be, not directed but informed where they should go? Is any monetary help given in such cases—not directly by the federal government because I do not think there is, but jointly with the provinces?

Mr. FORD: Training programs are administered by the provincial governments. In many programs 2 per cent of the federal contribution may be used for advertising purposes—that is, advertising or the preparation of bulletins which will make the courses known to young people. Now, the costs of operating these programs are shared between the federal government and the governments in all of the provinces, except Quebec, which at the present time is not sharing in any of the dominion-provincial agreements. In all other provinces the costs of the training programs are shared as a general rule fairly equally between the two governmental agencies.

Senator LEGER: Up to 50 per cent?

Mr. FORD: Yes.

Mr. HAYTHORNE: Mr. Thomson might have some comments to make on the extent to which the employment service helps people from the rural areas to find other kinds of employment.

Mr. THOMSON: Mr. Chairman and honourable senators, as Mr. Haythorne has told you, I am Director of National Employment Service of the Unemployment Insurance Commission. I might explain that the Unemployment Insurance Commission operates the unemployment insurance scheme in Canada and the national employment service.

It is an autonomous commission, but because we have a common interest with the Department of Labour in matters pertaining to employment and labour, and the same minister, there is a good deal of co-operation and collaboration between the two departments.

The objectives of the National Employment Service are first to find jobs for workers and, secondly, to find workers for employers. However, these are the barest essentials of the objectives because I could describe them more broadly as endeavouring to achieve the organization of the labour market with a view to the fullest utilization of manpower.

The employment service has its head office in Ottawa and five regional offices, one each in Moncton, Montreal, Toronto, Winnipeg and Vancouver, and two hundred local offices throughout Canada. There is a total staff of 8,000 people, roughly divided half and half as between unemployment insurance staffs and employment service staffs.

When a person comes to our office, he is really coming to apply for a job. It is only when we cannot find a job for him, that we pay him unemployment insurance, if, of course, he has made the proper contributions and so on.

In addition to these two, other functions of the employment service are to counsel young people entering the labour market, to see to the placement of the handicapped, to conduct on winter employment campaigns, and to engage in the placement of executive and professional workers. Because agriculture in Canada is so important, we are, of course, interested in the supplying of labour to agriculture and in the finding of jobs for agricultural workers. In our larger offices we have specialists in agriculture and even in some of the smaller offices, where agriculture is particularly important, we have employment specialists in that particular industry.

To give you an idea of the extent of our operations—I sometimes deplore the fact that this is not generally known—the employment service in the year 1959 placed 986,000 persons in employment. Many of these persons would be placed more than once, of course, so that it would be more accurate to say that we made 986,000 placements. Of that number 96,557 were placements in agriculture, of which some 50,000 were placements for work of a casual nature, 6 days or less. Some 12,000 of these placements in agriculture involved moving people from one part of the country to another. Many of these moves, of course, were of a temporary duration. We have an arrangement through farm labour agreements under which workers can be moved from one part of the country to

another if they pay a nominal sum for transportation. And, provided they remain in employment until the end of the harvest season, the return fare is given at a reduced rate. I understand that the provincial and federal Governments share 50-50 in the difference between these payments on the part of the worker and the total cost.

Senator HIGGINS: Do these people look for work, or do you yourself find out whether they are unemployed?

Mr. THOMSON: Often we go out actively and search for workers. In British Columbia, for example, where the crops are perishable, we go so far as to seek the co-operation of ministers in making appeals from the pulpits on Sunday for married women and young people and others who may be interested, to report to our employment offices. In regard to these agricultural placements it is easy to understand that if we fall down on this job, the consequence as far as harvesting is concerned, would be grave indeed. When I say "these placements", I mean on the scale I have indicated. Here are some of the organized movements, mass movements we have organized in the last year. We moved 1,175 persons from northern Alberta and Saskatchewan to Lethbridge for sugar beet operations; we moved 288 from Quebec to south-west Ontario for sugar beet work; 466 from the Maritimes to Ontario for haying and grain harvest and 70 from the Pacific region to Ontario for the same purpose. We moved 600 workers from Nova Scotia and New Brunswick to Prince Edward Island for potato picking and 180 tobacco workers from Quebec to Ontario.

We are also involved in a number of big movements across the border and back. We moved, or were involved in the movement, of 2,680 persons from the United States into Ontario and Quebec for the tobacco harvest. Going the other way, we moved 174 from New Brunswick to Maine for potato planting, 4,200 from Quebec to Maine for potato picking, 2,500 from New Brunswick to Maine for potato picking, 150 from New Brunswick to Maine for bean picking; while there were a number of smaller movements from Quebec and New Brunswick across the border for apple picking. In all, there were 12,000 persons moved from one part of the country to another. These mass movements of labour have been very successful.

Senator BARBOUR: Did they apply for unemployment insurance?

Mr. THOMSON: Agriculture is one of the excepted employments so far as unemployment insurance is concerned. However, you probably know that the government has been pressured to cover that industry by unemployment insurance. The argument used is that this will cure the labour supply problems in agriculture.

Senator HIGGINS: If a person has unemployment insurance and he refuses work under this scheme, does he still draw his benefit?

Mr. THOMSON: No, because he could not have earned his contributions in agriculture. He must have earned them in other industries and if he were unemployed for a short time and we offered him a job in agriculture and he refused it, he would not be disqualified because that would not be considered suitable employment. The government is at the moment studying the feasibility of covering agriculture with unemployment insurance, but whether it will solve all the problems of the labour demand and supply in agriculture I do not know.

Senator STAMBAUGH: There must be a difficulty at times in deciding who is capable of doing certain jobs. Who determines their capabilities?

Mr. THOMSON: The selection officer. The cornerstone of the employment service is the word "selection". When a person comes to the office, a rather intensive registration interview takes place. I do not pretend that there is such an interview with respect to casual agricultural employment of a few days' duration but where a person is seeking employment of permanence he is interviewed by the selection officer and his work experience, his education and his

other attributes are recorded on a card. Finally, an occupational code is determined and assigned. This occupational code system breaks down the world of work into some 10,000 different classifications. The whole idea is to assign the applicants to the kind of employment for which he is suitable. When a vacancy is registered by an employer the same procedure is followed. Particulars are ascertained as to what the job is, and what is required to do it successfully and so on. In this case also, there is a code assigned and that is when the matching pieces take place. Of course, this is greatly over-simplifying the selection process because personal suitability is also an important factor in job placement.

Senator STAMBAUGH: In the district where I live there is a natural gas company which hires a number of men in the summertime, men with shovels. What other positions would you consider such people capable of filling when they apply for unemployment insurance? What other jobs are there for such people?

Mr. THOMSON: Working in a warehouse, for example; that would be work suitable for a person unskilled; or he might be considered for unskilled work with a building contractor, or by a municipality requiring unskilled labour. A person used to working with pick and shovel would be able to perform most of the jobs requiring unskilled labour. But suppose we had a carpenter registered and drawing unemployment insurance. If he were a ship's carpenter we would not offer him a job as a construction carpenter. These are two different occupations.

Senator MACDONALD: I would like to mention something which in my opinion should be taken into serious consideration. A barn was being built in my district and the foreman had with him eight men most of the time. Three of these men were drawing unemployment insurance benefits and working on their farms at the same time. How is that?

Mr. THOMSON: These men are, of course, obtaining benefit fraudulently because they are not declaring the true circumstances to the employment office. If they did report that they were actively engaged in operating their farms they would be disqualified from receiving benefit.

Senator MACDONALD: It galls me. I had to bring up my family when there was no unemployment insurance, no old age pension; and, I repeat, it galls me today to think that these people can come in and work a few months in the summer and get the benefit of unemployment insurance.

Senator BARBOUR: I would like to know whether the position I am about to state is permissible under the Unemployment Insurance Act. Suppose two men buy a truck each and they swap trucks. I buy a truck and Senator MacDonald buys a truck, and I take his truck and he takes mine, and I hire him and he hires me to run the truck and we draw unemployment insurance. Is that permissible under the Unemployment Insurance scheme?

Mr. THOMSON: That, sir, would be fraud, and it is going on. I can tell you the story of a secretary—a person who registered with our office as a secretary. We referred her to a job and on reporting to the employer, she took her six year old child with her, after taking her teeth out, and removing her make up. The employer, of course, refused to accept her so she continued on benefit. There are numerous such cases which might explain partly at least why the fund has dropped to the extent that it has.

Senator BARBOUR: You collected a large amount during the last year for penalties for fraud.

Senator GOLDING: You collected over \$2 million.

Mr. THOMSON: My responsibility, gentlemen, lies wholly on the employment side of our operations, the positive side.

Senator MACDONALD: I understand that.

Mr. THOMSON: And for that, I am thankful.

Senator BARBOUR: Does unemployment insurance create unemployment?

Mr. THOMSON: Yes, I think it does. I am afraid I must admit that that is true. If a person has been on unemployment insurance and has exhausted his benefit—if he exhausts his benefit in July say—he can retire from the labour market and come back on the 1st of December and register a claim for seasonal benefit. He must say, of course, that he is able and willing to work and is looking for work, and if he says he is looking for work, and in fact he is not, then he is obtaining benefit by fraud. But it is difficult to test whether or not he is really looking for work, particularly at that time of the year when there are fewer jobs available.

Senator MACDONALD: I want to ask a straight question: What would happen if you abolished unemployment insurance today? What effect would that have on the unemployment figure which is now about 800,000?

Senator BARBOUR: That is the \$64 question.

Mr. THOMSON: The figures would decline considerably if you abolished unemployment insurance.

Senator MACDONALD: It would go down almost by half.

Senator LÉGER: Would it not create hardship?

Mr. THOMSON: Yes, it would, particularly in the case of urban unemployment. If a person who genuinely loses his job is paying \$90 a month for an apartment, once he is out of work his unemployment insurance which at a maximum is only \$36, does not go far in paying his rent. Apart from other living expenses—but it helps. The system was intended to help the involuntarily unemployed, the person who suffers from the occasional unemployment that happens in the usual course of a man's working life. The benefit is intended to tide him over until he finds another job, but not over a prolonged period.

Senator LÉGER: Suppose a man is a carpenter and is thrown out of work. If he applies for work and you have not got a job to offer him he is unemployed, but if you have another job for him as a carpenter and he refuses to accept it, then he does not get anything.

Mr. THOMSON: That is right.

Senator LÉGER: He cannot complain if he refuses to take the job.

Mr. HAYTHORNE: There are many people who are disqualified every year on one or other of the grounds that have been mentioned.

Senator BARBOUR: A certain person who runs a restaurant told me that he has more people employed in the summer than in the winter. He said some of the girls come in the spring and say they just want to work up to a certain date in October and then take unemployment insurance. He has others who have worked for ten years and they are paying into the unemployment insurance fund and have never drawn anything out. A situation of this kind does not tend to create good feeling between these two types of people.

Mr. THOMSON: When a girl says that she will take her unemployment insurance, the employer should ask the reason why she wants to leave and he should disclose it. If he says, "I laid her off", she will get unemployment insurance, whereas if he tells the truth and says that the girl quit of her own accord, she will not get it. Good employers will state the real reason for separation from employment. If all employers did so, the incidence of fraud would certainly decrease substantially.

Senator LÉGER: The trouble must be with the restaurant owner because if he had marked on the card the real reason for this girl's leaving she would not get the benefit.

Mr. THOMSON: That is correct.

Senator BARBOUR: They would be only seasonal employees he would need and he would have to lay them off anyway.

Mr. THOMSON: If he lays them off genuinely and they come to the office and we offer them a job and they do not take it then they are disqualified.

Senator MACDONALD: I will ask a straight question and an embarrassing one, and you do not have to answer it if you do not wish to. Is there such a thing as a racket getting into unemployment insurance? You do not have to answer if you don't want to.

Mr. THOMSON: On whose part—on the part of the staff?

Senator MACDONALD: Not on the part of the staff, no.

Mr. THOMSON: Yes, there is; there is too much fraud. The incidence of fraud is quite disturbing.

Senator MACDONALD: Then, what can you do about it?

Mr. THOMSON: If more employers were to hire help through the employment service it would help matters considerably. While we made 986,000 placements, there are many more people being hired outside the employment service. If more employers would use the employment service, it would provide more vacancies to which in the normal course of employment service work these chisellers would be exposed. As an extreme example of this if we have no vacancies, we could never expose them to employment because this is the one sure way by which the chiseller can be found out—offer him a job.

Senator LÉGER: The fault lies more or less with the employers.

Senator BARBOUR: It is both.

Senator LÉGER: No, it lies with the employer, because if the employer gives the reason why he lays a man off then that man will not draw unemployment insurance.

Mr. THOMSON: I would not describe the employer's action as fraudulent, sir, but he contributes largely to fraud if he does not co-operate with us by giving us the true reason for laying people off.

Senator LÉGER: If he filled out the card in the proper way, stating that he had laid off the applicant, then that person would be entitled to insurance. If the reason given was that the person had voluntarily left, then he would not be entitled.

Mr. THOMSON: Yes, but there must be an onus on the person, too. Every time he draws benefits he declares that he is looking for work and is available for work. There is an onus on him to represent the facts correctly.

Senator BARBOUR: How you are going to tie all this in with land use I do not know.

The DEPUTY CHAIRMAN: Every year a great number of young people leave the country, and I was asking Mr. Hawthorne how they could get information with respect to finding employment; that is how the discussion started, but unfortunately it wandered a bit.

Senator HIGGINS: In some places there are two forms of employment open to a man, both seasonal, particularly in the Atlantic provinces, where men fish in the summer and go into the woods in the winter. In Newfoundland they fish in the summertime and work in the woods in winter. Can a man decide whether he will be either a woodsman or a fisherman? For generations men in that province have gone into the woods when they could no longer fish. That is how they make their living.

Mr. THOMSON: If we knew that a man was experienced in logging and we offered him a job and he refused it, he would be disqualified. But, Mr. Chair-

man, I would rather discuss the employment service—the other service—which is the positive side of our operations. I believe the Chairman asked if there were figures on people who have left the farms. Perhaps we can go back to 1951. In that year there was a total of 940,000 people in agriculture and of that number only 100,000 were paid workers. 556,000 were farmers without employees. There were 42,000 farmer employers and 243,000 unpaid family workers, many of whom would be farmers' sons. Last year, instead of 243,000 unpaid family workers, there were 133,000, which means that 110,000 members of farm families, most of them farmers sons, have left the farm and now presumably live in urban areas.

An important phase of our work in local employment offices is our endeavour to find jobs for youth. Employers are becoming more exacting in their demands in terms of education among the youth going into the labour market. We have found, through surveys, that youngsters coming into the labour market poorly equipped from the standpoint of education are much more likely to have to find employment in those industries where there is frequent unemployment. I will not say that lack of education creates unemployment, but youngsters who enter the labour force with a Grade 8 education or less are most likely to find their employment in such industries as logging, which has a high incidence of unemployment. If a youngster drops out of school with insufficient education and comes to our office to seek work we do our best to encourage him to return to school. In one province alone—I do not have the statistics for any province other than British Columbia, and that is why I cite that province—we were instrumental in having 500 young people go back to school after they had dropped out without graduating.

The DEPUTY CHAIRMAN: What was the average age?

Mr. THOMSON: Of those who had dropped out?

The DEPUTY CHAIRMAN: Yes.

Mr. THOMSON: From 16 up.

The DEPUTY CHAIRMAN: Up to 20?

Mr. THOMSON: Yes. Youth officers are in the main employment counsellors—not vocational counsellors, because that has to be done in school prior to graduation. But in many instances we have built up such a good relationship with the educational authorities that before a lad reaches us we are furnished with a pre-employment record which gives a profile of the boy's performance at school in relation to the various subjects which he has taken.

Senator MacDONALD: I want to ask one more question. If unemployment insurance benefits were half what they are, would there not be less unemployment? If the benefit were only half of what is paid, you would not have over 800,000, as you have, but you would have 500,000 working. I do not expect you to answer that question, yes or no; but you can if you like.

Mr. THOMSON: Unemployment insurance, I am afraid, has resulted in numbers of unemployed.

The Deputy CHAIRMAN: We have had a very informative discussion and I would ask some one to move a vote of thanks to the gentlemen who have spoken today.

Senator LÉGER: I would like to move a vote of thanks.

Senator HIGGINS: I second the motion.

Whereupon the committee adjourned.

OTTAWA, Thursday, May 19, 1960.

The Special Committee on Land Use in Canada met this day at 11.00 a.m. Senator Henri C. Bois in the Chair.

The DEPUTY CHAIRMAN: Gentlemen, will you please come to order. We have today Mr. Roberts, who is Deputy Minister of Trade and Commerce, and I am pleased to welcome him and his companions. He will introduce his associates, most of whom are from the Dominion Bureau of Statistics.

Mr. ROBERTS: Not all, sir.

The DEPUTY CHAIRMAN: Some are from other branches. There is no need to call your attention to the great importance which the Department of Trade and Commerce plays in agriculture. After all, agricultural products are for sale and the question of markets is paramount, as is the question of prices. Mr. Roberts was good enough to advise me that he would confine his remarks to a general outline of policies which might be of some use in promoting the welfare of the farmers. If some basic question arises I am sure he will be in a position to give the right answer. I am pleased to call on Mr. Roberts.

Mr. J. A. ROBERTS, *Deputy Minister of the Department of Trade and Commerce*: Mr. Chairman and gentlemen, may I read the formal presentation:

Mr. Chairman and Honourable Senators

The area which you have under discussion in this Committee is not one that has been given any direct attention in the Department of Trade and Commerce. In fact, to my knowledge, there is no rural development program for the whole of Canada. There are, indeed, several agencies of the Federal Government working in fields related to land use that may have some beneficial effect; but their operations are neither co-ordinated nor directed specifically toward a rural development program.

Some of these groups exist within the Department of Trade and Commerce. I am pleased to have this opportunity to tell you something about them.

First, there is the Dominion Bureau of Statistics, the principal collector and publisher of Canadian statistical data on which our economic and social studies must be based. Material compiled by D.B.S. of interest to this Committee include the Census of Agriculture indicating the number of land holdings, their size, and the utilization of land, and information on income accruing to operators of farms from their farming operations.

I notice, however, that both these areas have already been covered here. Dr. J. F. Booth and Dr. M. E. Andal of the Economics Branch of the Department of Agriculture have been before this Committee and made full use of D.B.S. material in their presentations. In addition, the Canadian Agricultural Economics Society presented a paper on land use in which they defined the problem areas and made specific suggestions for improvements. This presentation was the result of a study of the problem at a "workshop" in which representatives of D.B.S. participated. The Bureau informs me that no new data bearing on the problems before the Committee will be available until the results of the Farm Income and Expenditure Survey and the 1961 Census are compiled. This Survey and Census are expected by the Bureau to give more information on land use and the problem of the small farmer than any previous survey. The preliminary results of the Farm Income Survey are expected to be ready early in 1961, but the results of the Census will not be available until mid 1962.

Second in the list of groups within the Department whose work may be related to the area under study by this Committee is our Economics Branch. This Branch conducts a continuous examination of current and prospective trends in the Canadian economy. It also undertakes studies on various aspects of Canada's economic development as required by other Government Departments. Although the Economics Branch has, to date, undertaken no work

relating to the subject of land use their continuing examination of overall economic trends requires some general knowledge of current trends in the production and trade of agricultural commodities.

The third group I wish to mention is the Small-Business Branch. This Branch is still in a relatively nascent state, having only been established in November, 1958. In general terms, its duties are to provide a liaison between the Government and small business; to study the problems of small business and to advise the Government on measures necessary to meet them. It has, to date, been particularly active in providing information in response to enquiries from small businessmen across Canada.

A program of management education is now under consideration in the Branch. Under such a program the Branch would be able to provide information of a nature that would be useful in assisting industries in rural areas to develop.

Finally, I should like to mention our Industrial Development Branch. This Branch co-ordinates the Federal Government activities in the industrial development field. Assistance is provided to foreign companies interested in establishing plants in this country and to Canadian firms considering expansion or seeking new products to round out their production.

In carrying out these assignments the Branch works closely with other federal agencies, provincial, regional and municipal bodies, and also with private development agencies such as railways, banks, power companies, boards of trade, chambers of commerce and the Canadian Manufacturers' Association.

In carrying out its primary function of promoting new industry and assisting those interested in expanding existing industry, the Industrial Development Branch helps to increase employment throughout Canada. This increase in employment may occur anywhere in Canada, from the point of extraction of the raw material to the point where final production occurs. Some of these processes will be located in rural areas. The location of industry and commerce will depend, however, on the decision reached by those responsible for the actual financial investment. Our co-operation has always been available to those agencies of government and industry anxious to develop or expand specific areas. As an aid, the Industrial Development Branch has published a number of pamphlets, which are available for the use of those considering a new business or an expansion anywhere in Canada.

In conclusion, Gentlemen, the Department is interested in any plans to assist more efficiently, industry and commerce throughout Canada and would be prepared to offer any assistance within its scope which might aid in rural development program.

This is the prepared context which I had to deliver to the committee. We have taken note of your terms of reference, and in studying them it seemed to us that the major crux of the study lies in the agricultural field and the opportunities open to younger people to engage in agriculture, and in this connection we are faced with trends economic trends in agriculture, which are moving more to urban rather than rural development. This, I think, is very rightly a problem for consideration by the best minds of our country.

In our department, Mr. Chairman and gentlemen, as I have indicated in my prepared statement, we do not have a rural development program as such. There is no doubt that the various branches which we have make an indirect contribution to the sort of end to which we envisage this committee attempting to bring their studies, and I have mentioned those particular areas in which I feel we are making a contribution.

We are inclined to the belief that this is a problem which should receive specific attention and we hope that the deliberations of your committee may ultimately so direct. At the moment, however, we know of no department which is specifically charged with this responsibility. If there were one in accordance

with the terms of reference of this committee, it would seem to us that the initiative in coordination would probably lie in the field of agriculture.

In so far as agriculture is concerned, we have in the Government service a division of responsibility in that the Department of Agriculture is charged with all the social and economic problems relating to that industry, and our department is then given sometimes the onerous task of marketing the proceeds of agriculture on the basis of policies over which we have little control, and this is sometimes an invidious position in which to find oneself.

I have brought along, sir, the senior officials of my department and I can assure you that the department is ready and willing to co-operate. I think we have an indirect contribution to make and we envisage that perhaps our contribution may exist within our membership, the membership of inter-department committees on which it would seem to us the initiative might rightly come. The initiative might rightly come from the Department of Agriculture.

I should like to introduce my officials to the committee. First is Mr. Macklin, the head of the Economics Branch of the Department of Trade and Commerce; Mr. Basil Hayden, the Director of the Industrial Development Branch of the Department of Trade and Commerce; Mr. Morgan Mahoney, the Assistant Director of the Small-Business Branch; Mr. Holmes, of the Dominion Bureau of Statistics, who is Chief of the Special Projects Section; and Mr. Parker, the Director of the Agriculture Division of the Dominion Bureau of Statistics.

It seems to me, sir, that at this point we could perhaps make a contribution in answering any question which members of your committee might care to put forward. The only other contribution I have to make is to the sort of bulletins and pamphlets which go out from our department.

Senator HIGGINS: In whose department is the Dominion Bureau of Statistics?

Mr. ROBERTS: The Dominion Bureau of Statistics reports to Parliament through the Minister of Trade and Commerce.

Senator HIGGINS: It is under the Department of Trade and Commerce?

Mr. ROBERTS: Yes. The Dominion Statistician is of the rank of an Assistant Deputy Minister and is so entitled—Dominion Statistician. In actual fact the Dominion Bureau of Statistics works very closely with the Department of Trade and Commerce and for all practical purposes he reports through me on a regular, continuing co-operative basis.

The DEPUTY CHAIRMAN: From what you have said, I gather that the gentlemen whom you have introduced have no particular statement to make at the present time.

Mr. ROBERTS: No.

The DEPUTY CHAIRMAN: They are just waiting for questions?

Mr. ROBERTS: Yes. Before coming here we considered carefully what statement might be made and it seemed to us that as we had no direct responsibility in land use or in rural development our contribution would be rather indirect. For instance, the development of statistics is a very indirect contribution.

The DEPUTY CHAIRMAN: It is an important one.

Mr. ROBERTS: Yes, it is important. We thought that our appearance before you might be most usefully directed to particular problems that concern the committee.

The DEPUTY CHAIRMAN: Are there any questions?

Senator HORNER: I sympathize with the gentlemen who are trying to establish industries in Canada at the present time. I understand that the great Canadian Singer Sewing Machine Company are getting their production in

Europe. They have built a plant overseas. Other Canadian companies are moving out to those fields where they can get cheaper labour and better attention.

It used to be said that agriculture was Canada's basic industry and until a few years ago the province of Saskatchewan was mainly an agricultural area. Now, the people in that province are beginning to develop industrially. First, there was the great uranium development in the north, but it would seem that there is no future in that. I often wonder if many people who moved out to the west and later moved away in the belief that Canada's future lay in industrial development may not find themselves obliged to return to the farm to make a living. Is it possible that agriculture may still be Canada's basic industry? Our costs may have become too great to compete with industry in other parts of the world.

The DEPUTY CHAIRMAN: Are you involved in the problems raised by Senator Horner's question, Mr. Roberts?

Mr. ROBERTS: Yes, Mr. Chairman, we are involved. The honourable senator has touched upon a problem of major economic importance to the country and the answer is bound up in matters of national policy. There is no doubt that our costs of production are such that in many areas, except in the production of those commodities which are internationally priced, Canadian industrial capacity is being increasingly thrown back on its own domestic market as most small industrial production items are non-competitive in world markets.

The answer to this lies in the highest realm of national policy—tariffs, the question of willingness to accept imports, the end result of that in its impact on employment in Canada. These are matters which are increasingly engaging the attention of Canadian legislators, and, I hope, economists and bankers throughout the country.

You have really moved into a wide area, sir with your observations.

Senator HORNER: To emphasize what I have just said, I may say that we shall probably be faced shortly with continuing legislation to give assistance to low-grade gold mines. The industry has been of great benefit to Canada. I have been told of a gold mine in South America where the wages are \$4.50 a week. That gives one some idea of the problems that we are faced with.

Mr. ROBERTS: I have no answer to that one, nor do I think that the honourable senator has.

The DEPUTY CHAIRMAN: We have to find markets for increased production, because production per man and per acre has been increasing all the time. The problem is one of finding markets and getting prices.

Senator HORNER: One favourable factor is our great ability to continue to produce foodstuffs of all kinds, livestock and other basic requirements and if it is true that we are facing eventually a world shortage of food, Canada still has a future in that regard. When it comes to supplying the necessary foods we can support a population three times our present population, and that would provide us with markets. In the meantime, however, the great difficulty is that people are leaving the farms—I mean, the younger people—because of the shorter hours in the urban centres. Taking care of animals is an occupation that takes up a man's time six days a week and the fact that you have two days free in the city, that long weekend, is a temptation, not to mention higher wages and the so-called standard of living. But to my mind there are no happier families anywhere, no better folks than those who have been brought up on the small farm.

Senator McGRAND: Is it possible to plot the problem areas of agriculture across Canada, to show the number of farmers who pay income tax? In certain

sections you will find a good number of farmers who pay income tax and in other sections you do not find the farmers paying any. Such information is available, is it not?

Mr. ROBERTS: May I toss that question to Mr. Parker.

Mr. C. V. PARKER (*Director of the Agriculture Division of the Dominion Bureau of Statistics*): Mr. Chairman and honourable senators, we have information to the extent that the income tax people publish a report annually indicating the amount of income tax paid by the various groups, including farmers. I do not have the figures in mind, but they can be obtained, though they would not tell us very much about the problem so far as agriculture is concerned. That is my feeling in the matter. I believe there are figures showing the incidence of income tax and the numbers paying.

Senator McGRAND: If we had a map of Canada with certain marks indicating the number of farmers in the various areas paying income tax one could consult the map and discover the problem areas where the yield of agriculture is not sufficient for the farmer to pay any tax. We could settle that question here before looking at the map, because you would not see many people in Gaspe and in the Maritime Provinces, farmers that is to say, paying income tax. It would be a good thing if we had a map of Canada which would give us that information.

Mr. ROBERTS: I am quite sure that that is a question which the officials in other departments could answer. I am sure they have such material on hand. It would not be in the ordinary course of the work of our department.

The DEPUTY CHAIRMAN: It would show the regions where money is made.

Senator McGRAND: And the districts where money is not made.

Mr. ROBERTS: The small uneconomical holdings in the Maritime provinces are a case that comes to one's mind immediately.

The DEPUTY CHAIRMAN: It does not apply solely to the Maritimes.

Senator McGRAND: There are other sections. It is not true of farms near the larger centres where dairy is prosperous.

Mr. PARKER: The income tax people make their own analysis each year. I do not think it shows the small areas, but only the number in each province. They would have to be asked whether it was possible to make a tabulation, but I think the information is there.

Mr. ROBERTS: This relates back to the desirability of having some form of continuing study made of the problem. There is really no coordinating body as we understand it which at the moment is charged with the responsibility of developing a rural program.

The DEPUTY CHAIRMAN: May I ask Dr. Booth whether there is any coordinating body working toward the establishment of a policy with respect to agriculture. I believe there is one, but it may not touch this problem.

Dr. J. F. BOOTH (*Director, Economics Division, Department of Agriculture*): Do I understand the question to be whether there is a central coordinating body for rural development?

The DEPUTY CHAIRMAN: Yes.

Dr. BOOTH: I do not know of any central coordinating body, nor do we have at the present time what could be called, in the language in which we interpret that term, a rural development program. It is my understanding that is one of the tasks of the committee this year, to explore all elements that might be involved in such a provision and make certain suggestions to the Government in that regard.

In saying that, one should note that many of the elements of a rural development program, as we think of it in the United States, are already being

carried on in the provinces under provincial jurisdiction and through the federal Government in the various departments. But the conception of a coordinating effort of all these agencies is something different. We do not have such a body.

Senator WALL: Mr. Roberts, we have been speaking about a basic concept, as I understand it, involving everybody in all branches at the federal, the provincial and even the municipal levels in which, what might be called, a community resources development project could be studied. We should look at each community in terms of some sort of unit which requires help and assistance so that that community might meet the needs that exist at that level and through their own efforts at the local level, plus the assistance given by the provincial and federal authorities, they might then set out to develop the community as a place in which to live where people could find employment, in a more expeditious manner than has been possible to date.

I appreciate the comments of Senator Horner and the observations of Mr. Roberts concerning the problem posed by the cost of labour, the problem of selling our products, and so on. But so far as this general conceptual framework is concerned, may I ask what is possible from the point of view of the Small-Business Branch, which I gather is still in its formative stages? It has laid down for itself certain duties in studying the problems of small business and in advising the Government on necessary measures, but I would ask Mr. Mahoney this question: What is possible from the point of view of the thinking of the Small-Business Branch of providing assistance in the form of advice and leadership to local community bodies which may be organized to improve business and which may be interested then in pushing ahead with a project and doing something more for that particular community.

Mr. MORGAN MAHONEY (*Assistant Director, Small-Business Branch, Department of Trade and Commerce*): Are you, sir, referring to the type of assistance provided by the small business administration in the United States in the field of rural development?

Senator WALL: Yes.

Mr. MAHONEY: If we had a 2,600-man department such as exists in the United States small business administration, it might be possible for us to consider providing assistance on an individual community basis. However, we have been following the United States program in some respects. We have attempted to assimilate federal Government information and put it in such a form that it could be used by many small business organizations in the country.

Our present organization consists of no more than four officers and a great deal of our time has been taken up with interviewing small business associations, many of whom are seeking recognition in federal Government circles as bodies who have a stake in various forms of legislation affecting their business operation. In many cases we act as a clearing agency for requests from these associations and attempt to get them into contact with the appropriate Government department which handles their type of query.

In addition, we have been attempting to study and develop a management education program. This is in its early stages and so far consists of several papers which have been prepared for circulation within federal Government departments and provincial agencies interested in this type of activity. The provincial departments of trade and industry are quite interested in this endeavour and we consult with them as we develop our program, with a view to determining the responsibilities of the different agencies involved.

Senator WALL: What do you mean?

Mr. MAHONEY: By management education, I mean the type of program that is already in existence in the United States. It consists of courses put on in the universities and schools within the country, running over a period of maybe six or eight weeks. There might be inexpensive courses and of a type

which the small businessman could afford. We already have management education programs of various sorts in existence in the country, but, generally speaking, these are too costly for the small businessman to participate in.

We had hoped we might have success in helping to sponsor and develop a night school type of course with inexpensive fees. This project is still in its very early stages and involves the co-operation of many interested agencies if it is to be successful. This type of endeavour, we feel, might have some application or be of use to some of the smaller communities to which you have referred.

Senator HORNER: Do you know whether the American organization assists the small businessman in taking any action to prevent the large chains from encroaching too far upon him by loss-leaders and so on.

Mr. MAHONEY: In the United States?

Senator HORNER: Yes.

Mr. MAHONEY: They talk a great deal about limiting their activities in many areas and there is no doubt that in some instances they do tend to limit and hold down what they describe as unfair business practices. It is a tremendous field, which receives more attention over there than it does here, although they have a great deal of difficulty in devising corrective legislation.

Senator HORNER: Is there some sort of board to which people could appeal?

Mr. MAHONEY: There could be a number of agencies, but I do not know of any specific one. They might appeal to a number of federal government agencies over there.

Senator WALL: I asked the question simply because there may be need for the federal authorities and the Small-Business Branch to extend their own conceptual framework in the future as the problems that are being faced by this committee and many other branches, municipal, federal and provincial begin to crystallize in the light of events. It is in that context that I ask the question.

May I be permitted one more question, Mr. Chairman, and I promise not to ask any more. On page 3 of the formal presentation there is reference to the Industrial Development Branch activities.

"Some of these processes will be located in rural areas. The location of industry and commerce will depend, however, on the decision reached by those responsible for the actual investment. Our co-operation has always been available to those agencies of government and industry anxious to develop or expand specific areas."

I recognize that to be a co-operative principle, but has not the Industrial Development Branch some other policy by which they may give some direction as to where some of these activities may be located? I am thinking, for example, of small businesses and manufacturing concerns and so on. Am I right in suggesting that some countries in the commonwealth, for example, have evolved machinery for the direction of industrial development into certain regions or pockets where there is a very severe problem area, and that some ways have been found? I am thinking here of the United Kingdom, where the national Government plays an important part. There, it appears, the national Government is able almost to direct certain industries into certain areas, maybe by persuasion, I do not know. I recognize, of course, that there cannot be any transgression upon basic economic factors, but there are human factors involved.

I wonder if any of you gentlemen can tell us what experience has been found profitable in other countries from that point of view? It is a tough question, I know.

Mr. ROBERTS: I will transgress on Mr. Hayden's field. Basically, first of all there are two problems that face us in this field which you, Senator, have just spoken of.

In the first place, we hold the right of choice on the part of the individual to be a basic doctrine in this country. Freedom of choice and free enterprise is a doctrine that is held in high esteem, and planning, broadly speaking, has at the present time at any rate certain connotations that are not acceptable, no matter how sensible planning may be.

The second point to which I wish to refer so far as the problem area is concerned is one which I am sure the gentlemen of this committee will appreciate. There is a sensitive area in dominion-provincial relations in which we try to step carefully and with the greatest circumspection. Broadly speaking, it is the major responsibility of the province to deal with such things as trade and industry; they are definitely accepted, by interpretation of the British America Act, as provincial responsibilities. There are in every province active provincial government branches in this field. There is one in your own province, as you know.

Our task might well be said to be one of coordination and assistance in those areas which are federal in character, and I refer to such activities as the collection of statistical information which is not available to a province, types of imports, amounts of imports, national data on distribution of sales figures, and so on. This is our area, and I think it is fair to say that we are moving now very much more closely into a position of greater rapport with the provinces, and I am hopeful that in the years to come we shall work just as closely on this question of industrial development between the federal Government and other agencies.

The best example that I can think of is the United Kingdom. That also is a free enterprise type of country, but it has accepted a measure of direction which perhaps has not yet been fully accepted in this country, and this has resulted in the direction of industry into areas where it can make the greatest contribution. Before I go further, Mr. Chairman, may I say that if I have used the word "direction" I have used a word that is incorrect. What has been done has been achieved by the provision of incentives which make it highly attractive for industry to move into areas which are declared to be—to use an unhappy word—depressed areas. That is not a felicitous expression, but it is an accurate one.

Senator WALL: Incentives, nationally?

Mr. ROBERTS: Yes, and they relate to accelerated depreciation, in some cases capital infusion in the company. A tremendous steel industry has arisen in Wales, the capital having been almost entirely provided by the United Kingdom Government; yet, the ownership is vested in two large steel industries, with a tax holiday for, I believe, twenty years, that capital to be repaid over the twenty-year period, at the end of which time the assets will belong fully to the two large companies who own the plant.

This steel industry, which will employ a great many men in the depressed area in southern Wales, will provide another major competitive factor in world markets and thus produce a continuing problem of economic assistance given by a nation for the particular purpose of providing employment in a particular area, moving across international borders and creating problems for other countries in terms of surplus production at low cost.

You will appreciate that the production of a plant which does not have to meet any interest charges on a very heavy capital—original capital investment—is in a uniquely favourable position competitively, and some of our Canadian steel mills have brought this point to our attention very forcibly.

Incentives could be produced which could direct facilities for employment into problem areas. To the best of my knowledge, there has been no established policy on this in Government circles, Mr. Hayden?

Mr. BASIL HAYDEN, *Director Industrial Development Branch, Department of Trade and Commerce*: Not to my knowledge.

Mr. ROBERTS: We have gone out of our way to assist in certain areas, and I could mention a certain recent case in which we stretched our consciences and credit to the limit to provide assistance for a major contract in connection with the Cape Breton Island Steel Mills. I am speaking of coal-mining subventions. I realize that this is a very touchy subject. Our transportation costs across the country are in some way an incentive to a particular area.

Senator WALL: I am an idealist and I must frankly admit that I am perturbed about human values. To what end does all this production and distribution lead finally? If we have these problem areas, we must try to tackle the problem of finding a solution.

Senator HORNER: I am interested in the remarks Mr. Roberts has made about the steel mills in Wales. That huge plant does not take up one foot of useful land. It was dredged-up sand from the ocean, entirely waste land, and the plant covers a good area. There was American capital there, was there?

Mr. ROBERTS: No, there are two United Kingdom firms involved.

Senator HORNER: What interested me was the fact that they had avoided wasting any land. I doubt if any country has the equal of Canada's Boards of Trade in the various cities, and some of our ablest businessmen take a keen interest throughout the provinces in an endeavour to get industries established. In many cases there is exemption from taxation. The members of local Boards of Trade are always ready to help in establishing an industry.

Mr. ROBERTS: There is a most interesting competitive battle going on abroad whenever there is a suspicion that an overseas industrialist is interested in establishing a plant in Canada. He almost has to bar his door because there are a number of competing provincial representatives abroad, not to mention banks, insurance companies, transportation companies, et cetera. We sometimes overdo it, but this is an area in which the federal Government works only by co-operation.

Senator McGRAND: I would like to repeat the question I asked some time ago. Is it possible to get some sort of map, giving the information I suggested? Two years ago we had a good deal of information from the Department of Agriculture, through Mr. Stutt. He obtained it from some source or other, and that information showed the number of farms in Canada with low income, those below \$700, those above \$1,000 and so on. If that information is available, surely it can be assembled and put on a chart and presented in some way to enable one to see at a glance which agricultural areas in Canada are depressed. Is it possible to have that information?

Senator HORNER: The information must be available.

The DEPUTY CHAIRMAN: It is only a matter of tabulation, is it not?

Mr. ROBERT: We see no problem in getting it. You have Mr. Stutt as consultant on the committee, and I am sure the information is readily available. It would not normally be a function of my department to provide such information, but I am sure it is available.

Senator HORNER: The thing that interested the committee most of all was the statement that was made showing the disparity in income between farms of equal size, equally distant from given points and with conditions more or less common. In one case the income from a farm was about \$6,000 greater than the income from an adjoining similar farm where the circumstances were more or less comparable. Of course, there is the human element that enters into the equation, but that does not necessarily account for the difference.

Senator McGRAND: I am not talking about any three-acre farm; I am not talking about a garden and a couple of acres; I am speaking about the small farm that we know, consisting of 100 or 200 acres. I am sure the information that we have asked for in this connection is available.

The DEPUTY CHAIRMAN: Are there any other questions? If not, it gives me great pleasure to ask some one to move a vote of thanks to Mr. Roberts and his associates.

Senator HORNER: I do so, Mr. Chairman.

—The motion was agreed to.

3rd Session, 24th Parliament, 1960

THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA

No. 7

THURSDAY, JUNE 2, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

WITNESSES:

Dr. J. R. Pelletier, D.Sc., Superintendent, Experimental Farm,
Ste. Anne-de-la-Pocatière, Quebec.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Methot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, June 2, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada met this day at 11.00 a.m.

Present: The Honourable Senators:—Bois, *Deputy Chairman*; Barbour, Basha, Buchanan, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, McDonald, McGrand, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Turgeon, Vaillancourt and Wall.—19

In attendance: Mr. Ralph A. Stutt, Special Consultant to the Committee.

Dr. J. R. Pelletier, Superintendent, Experimental Farm, Ste. Anne-de-la-Pocatière, Quebec, was heard and questioned.

At 12.30 p.m. the Committee adjourned to the call of the Chairman.

Attest.

James D. MacDonald,
Clerk of the Committee.

THE SENATE
SPECIAL COMMITTEE ON LAND USE IN CANADA
EVIDENCE

OTTAWA, Thursday, June 2, 1960.

The Special Committee on Land Use in Canada met this day at 11.00 a.m. Senator Henri C. Bois in the Chair.

The DEPUTY CHAIRMAN: Gentlemen, will you please come to order. We have with us today Mr. J. R. Pelletier, who has kindly accepted the invitation to appear before our committee. Mr. Pelletier's remarks will be a little different from the submissions that have been presented this year, and the reason for that is that we did not have all the co-operation we were entitled to expect from the Quebec government, and though the witnesses who appeared did their best I am convinced there was something missing from their briefs, and that something to my mind is a description of the real status of a large section of the province of Quebec. Such description would not pertain only to the province of Quebec, there are other regions in every province where the situation is about identical—I do not say similar, I say identical—to what we have in this area of the province of Quebec. This would apply to the Maritime provinces and large sections of Ontario along the St. Lawrence River, to speak only of those regions which are identical to the region in Quebec that Mr. Pelletier is to speak on this morning.

I will ask Mr. Pelletier to give us first a short resumé of his career. I know that for 20 or more years he has been director of the Experimental Farm at Ste. Anne, in Kamouraska county, which is in the centre of, and very representative of the district about which he is going to speak.

Mr. J. R. PELLETIER, D.Sc., Superintendent, Experimental Farm, Ste. Anne-de-la-Pocatière, Quebec:

Mr. Chairman and gentlemen, complying with Mr. Chairman's request, I may introduce myself by saying that I am Quebec born, precisely in the Matapedia Valley, educated in Amqui, my home town, and afterwards attended the Colleges of Antigonish, Nova Scotia, Ste. Anne-de-la-Pocatière Agricultural College, Macdonald College and afterwards at agricultural institutions in France, England, and finally at the University of Wisconsin. For most of my professional career so far I was associated with the federal experimental farms in different functions and at different places, including the one at Ste. Anne-de-la-Pocatière where I have officiated as superintendent for the past 23 years.

The time allotted for this discussion seems brief indeed, considering the importance of the subject, so I shall attempt to cover it as briefly and yet as thoroughly as possible.

I have been asked to present to you the problems of this particular area of Eastern Quebec, as they enter into the framework of the whole province of Quebec, with all its specific conditions and local problems. First of all, permit me to locate this district on the map which starts from Quebec City, going

eastward, including both shores of the St. Lawrence River right down to Gaspé or as it touches New Brunswick. As a matter of fact it could easily be called the fifth Atlantic province.

While it may not be easy to take on the major points first, nevertheless I should attempt to follow a logical sequence of facts and recommendations. First of all, what are the characteristics of the present agriculture in the province of Quebec as a whole?

Quebec agriculture represents 16 per cent of Canadian agriculture, in value, as against 20 per cent of the rural population. The farms are of different types, being long and narrow, a pattern which was established under the French régime for reasons of economy and security at the time. When touring this area the average person might get the impression of this pattern as being impractical but it seems that as time goes on with our short farming season, the general system of public utilities, regional schools, social services and so forth, that this system gains in merit.

However, mixed farming is the backbone of our agricultural industry, where 95 per cent of the population is French-speaking and living according to their own traditions, ways of life, et cetera. In this major pursuit of mixed farming, dairying alone represents 37 per cent of the income of our farmers. Animals and animal products, including milk, represent about 77.6 per cent, market crops only 8 per cent, but forest products from the farm about 14.5 per cent.

From there on we shall limit our remarks to Eastern Quebec. There mixed farming is promoted because we have soils of low productivity, a humid climate and an outlet for such products. Yes, soils are generally of low productivity due to geological origin, long age, and unwise farming in many instances. Yet, along the banks of that river, after the Champlain Lake withdrew, there was left a lower terrace of alluvial formation, which is much richer, but the rest has been mostly glaciated, and as a consequence rolling type of land is found, which is, in addition, of coarse texture, stony, etc. However, it is there that mixed farming by the white man originated on this continent mostly at the time of the 1864 American War when they needed beef, pork, wheat, butter, cheese and cavalry horses.

And while in the whole province of Quebec, a little over 17 per cent of the population is rural, in this Eastern belt it goes as high as 49.2 per cent.

The heart of this district is 300 miles away from the Metropolis, Montreal, which is the largest consumers' market that we have for natural products, and this constitutes a drawback itself for our farmers. On the other hand, we can move our products by fluvial transportation at fair cost particularly pulpwood, which is an industry of \$28 million income to the farming community. Unfortunately, we have never had any large industries locate there, so the local population that cannot move to greener fields like industrial plants, is left with two opportunities, mixed farming and forestry, because that is all that nature left us.

In regard to land use we must consider, necessarily, forestry along with agriculture because both compete for the land, and it is by personal view that the two pillars of our future regional economy are, one 30 feet high, the tree, and the other one 30 centimetres high, the grass. As far as the Canadian forest industry is concerned the province of Quebec alone takes a slice of about 25 per cent. With respect to woodlot farming in this province, for instance, while we have a total revenue to farmers of roughly \$60 million, and the part going to farmers of eastern Quebec would represent between 45 and 50 per cent of that global sum.

While the province of Quebec has had a tremendous industrial development in recent decades none of that has taken place in this particular area

of the east. It is quite true on the northshore of eastern Quebec, where big mining deposits are being discovered and developed, an outlet exists for our natural products but, there, again, it seems that the St. Lawrence Seaway favours growers located even much further away, and to a certain extent displaces us from our next door market for agricultural produce.

And when our forests are such a good source of income, it just happened that during the war, and afterwards, that the cost of living went sky high, and when, at the same time, farmers had to modernize their farming operations and acquire costly machinery, we experienced most intensive and unbalanced cutting. One other incentive that favoured this butchering of our forests was the high prices for the produce when that money was greatly needed.

What are the major drawbacks in that eastern Quebec area? First, we have soils of low fertility which are frequently hilly and stony, with big boulders and the "eggy" ones in profusion. The farms, as farms alone, are generally too small for economically viable units, unless we substantiate them with greater acreage, more woodlot or higher yields. The growing season is far too short for industrial crops; that is, we cannot expect to do as is done in southwestern Ontario, for instance. We are located at large distances from important consuming markets. The woodlot technology is insufficiently accepted, and there has been an absence of regional planning programs, and there has been no land use policy. Also, there has been a lack of interest in grassland farming schemes.

And, if you were to ask me if a land use program is immediately needed, my answer would be emphatically affirmative, for the reasons I have already enumerated. To overcome greater difficulties we must establish soon that some of the land already farmed should have been left in forest, and this ought to be decided by technicians who know something about what forest soils are and what arable land is, to make for more intensive farming.

One other major reason for having a land use policy, is that we should protect the good land still left to us. There is presently in Canada great industrial developments taking place, and most of the needed building facilities are erected on our best land, of which there is a great scarcity. While we say Canada is a large country we should qualify that with the explanation that, agriculturally speaking, eastern Canada is a rather small country.

In the same way we are building many new houses, and whereas we used to build dwellings vertically we are now building them horizontally, and this takes up more of the rich land that should be reserved for agriculture and our future increasing population. Another highly significant factor associated with this is the climate of this rich Montreal plain, and that of the Niagara Peninsula which is so favourable, agriculturally speaking.

As you know, to produce food you must have sufficient warmth, sufficient rainfall, sunshine, et cetera, besides the soil and the man. In that regard I would say that the climate in the Niagara Peninsula, for instance, is of far more significance than the quality of the soil itself. Have we ever evaluated the price of "one acre climate" of the Niagara Peninsula in permanent value? It would be astronomic, and yet we are indifferent to it.

We need a land use policy to help our nation of tomorrow and to save us from greater indebtedness. It is the responsibility of our generation to see that we have such a policy, because in all the history of this country it is our generation which has been the most privileged. None other has lived better than we have—that is, in comfort, even luxury, social benefits, technical equipment, et cetera—and yet no generation will inherit greater debts than the one to come right after us. I say this rather as a pathologist

rather than as a prophet. This means that you and I may have a big responsibility resting on our shoulders, and we must show our patriotism with deeds, not words.

Then, there is the family farm set-up to consider. For instance, are we going to continue with this concept, or should it be changed for very large industrial farms? On small narrow farms, contour farming, which is so efficient elsewhere in soil conservation, is not at all applicable. For anyone to endeavour to do contour farming in Quebec would be just attempting to make a circle out of an unbending bar. And, as we cannot think in terms of contouring with the dairy farm patterns as they are at present, we must think in terms of trying to protect our soils through reforestation on slopes of six to ten per cent or more, and in promoting grassland farming for a more resistant cover to cloudburst, run-off, et cetera.

Grassland is nothing more than a larger part of the farm acreage being kept in green crops, and it necessitates less plowing. Not only is grassland good for the soil and animals, but it is also good for the farmer. I could quote you here lots of figures which indicate that we could produce feeds as needed is our dairy farming at much lower cost with grassland crops than with grain crops, for instance.

It is surprising how good farm crops improve soils, even those of the forest category. With respect to crops we generally consider what is above the ground because it can be seen, but how little we think of what is below ground level. The organic matter, for instance, which is the blood of the soil, can be increased or reconstituted by some of the green crops, and well-managed meadows and pastures.

In 1937, when I was a student in Wales, at the University of Aberystwyth, I saw some of the work going on there that induced me to think in terms of grassland. There, also, I met the Director of Grassland Research for New Zealand, which is the grassland country par excellence. All this knowledge has been used in planning the research program of our Experimental Farm, and that has since brought great dividends.

Besides grassland reforms we must also promote progressive reforestation schemes, and in that foresters have a great many good "recipes".

On this grassland concept of farming, I could give you a lot of statistics to illustrate how it raises the fertility of our soil and improves its physical condition.

I glanced the other day at some reports with respect to work done at West Virginia University with respect to underground organic residues left after the crop removal. For instance, we think of timothy as being almost the only grass we have for hay and pasture, but there are many others. There is brome grass, for instance, which when compared to timothy would leave in the ground seven times more organic debris. This, in decaying, will aerate the soil, will favour greater bacterial activity, and permit greater water retention. These are some of the advantages of grassland farming that we cannot ignore when dealing with podsollic or forest soils which are generally open, coarse and fragile.

My third suggestion would be to raise the level of fertility of our soils. As mentioned before, our soils have been cultivated for three centuries. We have a maritime climate with high total and high intensity rainfall which at times washes out the richest parts of the soil, including mineral food, which goes down the rivers. That should be prevented. Comparing Quebec with Ontario, for instance, we in Quebec apply 31 pounds of fertilizers per acre of improved land, as against Ontario's 68 pounds. Of the total Canadian consumption of fertilizers Quebec uses one-fifth, whereas Ontario uses three-fifths.

Associated with these three major farming reforms would be the need of pilot demonstration farms to prove our recommendations before generalizing them, because there is such a diversity of farms and soils. On that I refer particularly to grassland, or long lays, and fodder rotations which are the same thing. We should also introduce small farm machinery, if that is possible. After all we have had small automobiles and they are not so inefficient. The question is: Can we have smaller machinery for smaller farms? This has bothered me for nearly a score of years, and when living in the Near East I saw implements that encouraged me to continue thinking that way. Evidently, in that domain the first thing to do is to embark on some research related to the problem. Perhaps our engineers do not see it this way, but it seems to be a field where at least some exploration can be made.

Again, I repeat that agriculture and forestry have to coexist because we have nothing else to draw our subsistence from, and either one alone will be insufficient. With respect to these two leading rural pursuits we must think in terms of coexistence just like they do in Sweden, which is the home of such an economic concept of rural economy. In fact, it was my privilege to see it in action when visiting that country in 1953. That visit made me realize fully that the eastern Quebec district was almost the Sweden of Canada.

About reforestation, again since it is so important to us I may say that during the war and immediately afterwards we encountered difficulties in maintaining our forest reserves because the demand was high, prices excellent, and so forth, just when costs of living and prices of farm machinery went so high that our farmers neglected their woodlots. As a consequence of this butchery the water supply for domestic use and hydro power has been low and the land has washed away more than usual, particularly after occasional cloud-bursts. Therefore, we must reforest extensively, and to promote such undertakings may alleviate the unemployment situation that prevails in our district.

On this particular issue I would like to reveal an incident. As you know, New Zealand is the dairy country par excellence and they ran into a cattle disease in the Kangaroo district. They did not know the reason at first but they eventually discovered it was a deficiency of cobalt that was causing this particular disease.

As a matter of fact, we found at Ste. Anne-de-la-Pocatière the very same trouble with sheep for the same reason. Again, this disease is caused by too greatly washed soils, which in addition to being old and under a high rainfall, lose their minor element reserves—these are just as important as the major ones for crops and stock.

However, it was decided then by the Government that they would allow no more grazing by cattle over an area of 399,000 acres. At the same time there was unemployment in that country around 1911, and this land was lying idle. It was therefore suggested that it be reforested. This suggestion was taken up, and the Government planted Monterey Pine, *pinus radiata* over the whole area.

In 1956 it was my privilege to visit the Tasman Pulp and Paper Company which, as you know, was operated by Canadian technicians, at least for some time, and where pulp was produced from this reforested idle belt. This is an example of what can be done when foresight and co-operation are put to work. The same could be duplicated in eastern Quebec.

When further planning our reconstituted future we should think of the possibilities of protecting our family farms. They are not the most economical, sociologically and ideologically speaking. As you know, the No. 1 crop on our farm in eastern Quebec is the human beings living there, and they simply must be protected in their traditions and their aspirations. The family farm scheme

has real significance throughout the world just as it has for us. Last night I read a document from Europe, and learned that in one year in the various countries of continental Europe there were 130 acts, laws and decrees passed by the various parliaments to protect family farms. The cause must have some merits. As one writer said, if we are going to abandon the family farm we will have industrialized farms which would have to be so highly taxed to pay for the subsistence of idle rural people that their great economic efficiency may quickly sink. They may then be forced to appeal for Government financial support, ending with somewhat collective farms without collective bargaining.

Now, is Canada a progressive country with respect to conservation and the use of its natural resources, including soil improvement and preservation? On this question I can only review some of the facts.

While the United States took the initiative of launching a program as early as 1908, it was because the then President, Theodore Roosevelt, was greatly interested; and it was during the depression year of 1933 that the then President, F. D. Roosevelt, launched the C.C.C. project, something of the Kangaroo type in New Zealand.

Canada started the P.F.R.A. in 1936, and later the M.M.R.A. program. About the same time some provinces launched very moderate projects. However, we are now making plans for a Centennial Celebration in a few years, and we also are to have a Conservation Conference in September, 1961. These two significant events should induce us to think in terms of establishing and developing policies, structures, schemes and programs to salvage our natural resources for future generations.

In regard to reforestation, some suggest that it be left to nature, but it is a slow process. Furthermore, we have now many improved varieties of trees with higher economic merits, just as we have superior varieties of wheat, etc. In that respect, too, we must apply our science, our skill and our heart, to make it more intensive and quicker.

The trees which we should be planting today should have completed their economic growth at the same time as the babies being born today reach their legal maturity; the one would give the others employment, a home and a life companion. It is a noble challenge.

Gentlemen, I have taken my full thirty minutes, and I wish to thank you for your kind attention.

Senator HORNER: Could this land you speak of in New Zealand have been restored by the use of fertilizers?

Mr. PELLETIER: In fact we may do so now, but at the time they did not know the right remedy. They thought the land was infected with a disease germ of some kind. There is a cure for that deficiency everywhere it exists. As a matter of fact, I was associated with the late Dr. Swales with a piece of research of that nature around 1941, where cobalt deficiency caused pernicious anemia on sheep. By feeding the proper mineral supplement we restored a very fine flock of sheep that was dying because of that deficiency.

Senator HORNER: In some instances it is fed to animals in a box in the yard. Even in western Canada we find we have to supplement the diet of cattle by a certain amount of minerals.

Mr. PELLETIER: Yes, and it may also be returned to the soil with a more complete fertilizer formula.

Senator HORNER: Mr. Chairman, I liked Mr. Pelletier's talk very much. As I understand him, he believes the best crop raised on the farm is the family of men and women who come from farms. I share that view with him.

Mr. PELLETIER: But this "crop" too will have to be well fed according to a complete formula.

Senator McDONALD (*Kings*): Mr. Chairman, may I on my own behalf express my thanks to Mr. Pelletier for his interesting talk. Perhaps I am in a better position to do so than most senators present, although some of whom may know him better than I do. Many years ago when I was with the department in Halifax I learned of Mr. Pelletier's value to the farmers, particularly in Eastern Quebec. I think it only right to say that I have regarded him, and still do, as the friend of the Eastern Quebec farmers.

I wonder if Mr. Pelletier would care to outline some of the programs he, as Superintendent of the Farm at Ste. Anne-de-la-Pocatière, has carried out, with a view to giving the smaller farmers of Eastern Quebec an idea of what he should do to improve his position and raise his standards of living?

Mr. PELLETIER: I shall gladly do so.

I became superintendent of that Farm in 1937, upon my return from Europe where I had been taking studies in the fields of soils and crops, and where I saw so much of the advantage of grassland agriculture on poor lands under a high rainfall climate that I brought with me the grassland philosophy. I immediately proposed to my superiors a research program along that line for our particular area.

By that I mean we compared long versus short rotations to see how best we could have more profitable and more sustained yields, at the same time measuring the residual effects of crops on succeeding ones and also soil improvement. We then learned that if we did not strike a killing season we would have profitable long meadows with alfalfa in predominance; and we also learned that our fragile forest soils would gain in beneficial traits, as I mentioned in my opening remarks, when so treated.

When then learned that in the common practice of always applying fertilizer on grain crop we were allotting most of our cost to the least efficient crop in producing stock feed economically. So, we advocated giving more of the fertilizers to meadows that had a good sward, that is, a good stand of rich legumes and grasses.

As a matter of fact we acquired figures for 21 years on one ton of total digestive nutrients from our most common crops. We then learned of their relative merit in that regard. For instance, from good pasture we obtained a ton of digestive nutrients at a cost of \$6 to \$7; with hay, from \$10 to \$12; with grains, from \$16 to \$18. Here it is shown that oats was one of the least efficient crops, and yet it was getting most of the fertilizer at the expense of the better crops being underfed.

We also have to attempt to overcome the difficulties of soil and climatic conditions. For instance, our soils are terribly acid, and we not only applied lime but undertook to breed a strain of alfalfa tolerant to acid soils and to endure the coldest winters. As you know, alfalfa is the queen of our forage crops.

We also searched for the most suitable species of both legumes and grasses for our meadows, for this long-term period, without ignoring what they left in organic residues underneath the ground. We all know that red clover is a short-lived specie, yet it is so spectacular in its short life that we are inclined to overestimate it when we think of an economical rotation that would favour soil improvement.

On another phase of good field husbandry we have tried to search for the most balanced commercial fertilizers for this particular long-term rotation, according to different soil types, et cetera. As you know, fertilizers are expensive, and so we had to have accurate recommendations for our farmers so that the profit margin would be as substantial as possible. That is only in regard to the production of crops.

Evidently nothing was done about forestry research, because it was out of my field, but needless to say I was eager to do something because it was so evident that our farmers were "flying without that second wing."

We also did some work at our institution with animals, because in mixed farming they are used, and we particularly did so with dairy cattle, because in our midst milk meant nearly 45 per cent of the gross agricultural income. Yet, we concentrated in producing raw material, that is, crops at low cost, because after all milk does not come from the cows, it comes from the soil and from the crops; the cow is only a converting machine. Would that answer your question, sir?

Senator McDONALD (*Kings*): What kind of cattle would you keep?

Mr. PELLETIER: We kept the Ayrshire breed.

Senator McDONALD (*Kings*): Do you keep horses there now?

Mr. PELLETIER: Very few indeed; yet they are still generally needed in this district of high snowfall and typical high drifting. In the horse age we kept both Percherons and Canadians. One interesting thing we did was to intercross the breeds for an hybrid that would have a greater combination of qualities; that is, to be more vigorous as it is in the plant kingdom with hybrid corn. It was not only interesting to see the offspring, but also profitable, because we had the medium-sized horse that was wanted at the time. Many local farmers followed the practice afterwards, but unfortunately the interest in horses has disappeared.

Senator McDONALD (*Kings*): Did you experiment with lighter machinery on your experimental farm?

Mr. PELLETIER: Small machinery, you can say.

Senator McDONALD (*Kings*): Yes.

Mr. PELLETIER: No, not at all, because the same is non-existent on this continent; at least, I have not seen anything of the kind yet.

Senator McDONALD (*Kings*): Something in the neighbourhood of about 20 horsepower, or something like that?

Mr. PELLETIER: Possibly; and what I have more in mind is rather a somewhat universal tractor to be used as a truck as well and with all the accessories for a great variety of farm operations. There are firms, which I could mention here, that manufactured them; yet I would not offer any recommendations until experimental tests had been done with them under our own conditions.

Senator McDONALD (*Kings*): Is there a possibility that industry might perform a larger function among your people there, or are you too far from markets?

Mr. PELLETIER: It is doubtful that we could ever have big industries, because as you may notice on this map, the State of Maine encroaches deeply into that territory, and that being narrow the watershed has little flow of water, and consequently too little hydro power. That situation contrasts completely with the situation existing on the north shore where they have so much depth that hydro power is most plentiful. It could be passed across the river, but it is ten miles wide. Furthermore, we have no other resources from which to draw raw materials besides forests and soil.

Senator McDONALD (*Kings*): Do you think there is a possibility that the Maritimes or the Atlantic provinces along with Eastern Quebec could ever get a freight rate which is so low as to get our products into the central Canadian markets at a price that would allow us to compete with the agriculturists that are located near those markets?

Mr. PELLETIER: That is a rather difficult question for me to answer, but I may say that Eastern Quebec does not benefit from preferential freight rates.

Needless to say, there are great natural similarities, so much so that I have frequently designated our Eastern Quebec district the fifth Atlantic province of Canada.

Senator LEONARD: Did you find a formula for fertilizer in relation to your illustration plots for your grassland farming?

Mr. PELLETIER: Oh yes. We worked out different formulae depending on the type of soils and the crops we grew. You all know that a good alluvial clay flat along the shore which has received all that was washed away from soils of the upper land will produce crops with less applied mineral food than the coarse washed sandy soils of the upper terraces.

Senator BARBOUR: Do you use much lime?

Mr. PELLETIER: Oh, yes, we recommend using lime, depending on the soils to be handled and the specific requirements of crops, because all our experiments have led us that way. Yet one interesting point to mention might be the fact that an incompatibility exists between lime and the availability of minor elements, to which I referred before, like cobalt for animals and boron for alfalfa. There again, the optimum procedure to follow calls for serious experimenting. It is not an easy problem, yet lime has still a preferred place in our soils for successful crop production under our local conditions.

Senator HORNER: Is the rainfall in your area quite sufficient, or do you suffer sometimes from shortage of rainfall?

Mr. PELLETIER: The rainfall in total is high, being 40 to 45 inches a year. But it is often erratic, in this way, that in some strategical periods of the growing season for crops we may experience a drought of some consequence. Yet it is not a problem of the magnitude it would be, for instance, in our western wheat belt.

Senator HORNER: Rainfall in connection with alfalfa, for instance, is very important, is it not? In parts of western Canada we get a lot of rainfall, but alfalfa is a failure in a dry season.

Mr. PELLETIER: It may be so, Senator Horner, because as a rule green crops growing profusely need more water than grain crops. Nevertheless one good agronomic feature of alfalfa, as a desirable crop in almost universal conditions, develops an extensive root system going down in depth and capable of supplying growth moisture even in dry spells.

Naturally in my part of the world where we record 45 inches of total rainfall in the year this ability of alfalfa to pump deep water has not as much significance as in the West, for instance, where apparently you come from, sir, and where I believe you have generally 10 inches a year.

Senator HORNER: Yes, 10 inches or 11 inches a year.

Senator INMAN: Mr. Chairman, I was interested in Mr. Pelletier's remarks about small farm machinery. In the Maritime provinces our farms range from 50 acres to 4,500, and I think that the price of large machinery is a great deterrent to young people starting out on farms. I am interested in that phase, and I hoped that something could be done. I was going to ask Mr. Pelletier to define small machinery, but he did that in answering Senator McDonald.

Mr. PELLETIER: Again I repeat, Mrs. Inman, that this is not under our present conditions an easy problem to solve, but in Europe where about the same problem exists and even to a more acute degree than here because the farms are even smaller, the problem has been carefully studied and partially solved. Just to illustrate how much attention that was given there to that particular problem I would mention that in a country like Norway no one could buy a tractor before taking the matter up with a board or a national committee where each case is judged on its merits and when it was decided that

a farmer's operations justified his buying a tractor, he is led to take what experts suggest and in addition he receives a direct grant, not a loan, from the Government to pay part of his tractor.

This is being done because the nation cannot afford to let the farmers go into debt indefinitely. Again, to obviate somehow the higher cost of machinery on small family farms in other European countries, they favour the maintenance of specialized services on custom basis, rather than each small farmer attempting to have all his own machinery, just like they have developed the idea of common market between countries. They also have the idea of communal work among farmers as a way to render economically available the small farm units.

Right in our district with small farms involved in mixed farming operations this matter of farm machinery acquires a high degree of financial significance. Yet, there is no reason why it could not be worked out to some degree that for the operations requiring high power only occasionally the small farmer would find independent operators to do it for him on a custom basis. Co-operatives in that field could do a lot, and this may be yet an unexplored possibility. There would be inconveniences, it is true, but at least it would prevent small farmers from going unwisely and deeply into debt. We already have bulldozers and stonepickers working that way.

Along that line of thought again, if a farmer adopts the grassland farming scheme then there will be less plowing, less threshing and less high-powered machinery needed. To save the small family farm means grouping them necessarily in regard to the high cost operations even if some of the traditional independence has to be modified. We all want the small family farms to be safeguarded but this would be almost utopia without the willing support of farmers themselves. It is all very well to say the Government should do this and do that, but the Government it seems can only help farmers to help themselves. And to surmount all the present obstacles it is my personal belief that co-operation with all its best tactics, its best structure, and the best methods of operations, may be the greatest salvation tool for our rural community. There is a concept formula or procedure to which one adapts himself surprisingly fast when well presented.

Senator McGRAND: Mr. Chairman, does Mr. Pelletier think that the family farm of approximately 200 acres which is quite common in the area he is referring to, in Eastern Quebec, we will say, has a chance to survive in the future? You also mention, Mr. Pelletier, about co-existence; would you go a little further in discussing that and define just where co-existence between the forest and the tilled land can solve this problem of the family farm?

Mr. PELLETIER: Your first question, Senator McGrand, is in reference to the survival of the 200-acre family farm. If you have a well-organized dairy farm of that size in our district my answer is definitely affirmative. Even a smaller unit provided it is well managed would survive. After all, any family farm must have a large output to cut down overhead, etc. and it is immaterial how this increased output is acquired. For instance, a farm to support a greater output may be enlarged in length or in width, depending where the neighbour is located, and it may be absorbed in height also, and that is doubling or trebling yields of crops per acre by more fertilizer, better cultivation practices and so forth.

Again I say a good 200 acres is a strong unit in any part of Eastern Canada and that even without a woodlot income. But a more worrying situation is that the majority of our family farms are much smaller, at least in Eastern Quebec, and therefore the owners to expect security under such conditions they must play the factor productivity with the greatest wisdom.

I have no hesitation in saying, and I have a lot of figures to support my statement, that on the average we can easily double and triple the yields of our crops if not for all acres at least for the farms as a whole, what in turn would not necessitate enlarging the farms. And even when they have to be enlarged, the first move is still to improve what is held. Surface inefficient farming has less significance than productivity.

To illustrate my point may I say that while in the United States they expect the human population up to 1975 to increase 35 per cent and then experts feel all the additional food needed could be obtained through one single means, that is commercial fertilizers, and that without increasing the acreage under plow.

So family farms do not have to have just large acreage to be recognized as economically viable units. It is hard to say what the optimum size of a farm should be, so much depends on operational factors. For instance, the criteria to consider fully are the natural productivity of the land, the good farm management practices, the market outlet, the farmer's personality in regard to progress, his woodlot income, etc. are important factors. As a matter of fact, several economic surveys reveal that within a regional group of farmers with about the same pursuits, the ones with the largest farm units are not necessarily those with the highest net incomes.

One thing that I failed to mention before is that the dairy farm in Eastern Quebec runs roughly to 100 acres and not all plowable to produce crops, far from it. On such a 100-acre farm there will be some rough land, even part of it as a woodlot, muskeg, rocky hill and so forth. On the other hand, 80 per cent of our farmers have in addition to their dairy farm a separate woodlot of 100, 200 or even 300 acres all in forest but located on the back concessions. This in itself is quite a blessing for which we are thankful to our pioneers who showed that foresight.

This combination is ideal for co-existence, to which I have referred today. Do these views answer your question, sir?

Senator McGRAND: Yes.

Mr. PELLETIER: Your second question was with regard to co-existence and how it would work. As I just said, in accordance with the present pattern of our family farms, where one man owns a dairy farm and a small reserve of his own, with a climate which permits work on the dairy farm in summer months, and forest activities in the winter months, it has certainly worked well in the past, and it would give employment the year around. We do not realize in Quebec, particularly the eastern part, that it is because we have, in the past decade, had a reasonably well balanced arrangement that we enjoyed an acceptable standard of living. The woodlot, like the dairy farm, is worth something to the farmer, provided it is technically and wisely managed as to silvicultural practices etc.

This co-existence, which is not the kind referred to in the Security Council, will again work well with our agriculture because it is traditionally accepted by our rural community and is well enforced by the dominating natural elements. While woodlots have an important place, unfortunately we have let them run down by overcutting, insufficient fire protection, etc. As I mentioned earlier, after the war the price of lumber and pulpwood was exceedingly high, and then farmers went on cutting unwisely, some of them butchering their woodlots. So, now we are prompted by the obligation of rehabilitating them.

So, to have progressive co-existence would involve progress on both types of farms, that is good mixed farming and good timber cutting along with reforestation. As to reforestation, some say, let nature do it. Possibly nature

has done it in the past, but it is a slow process; and while we may rely on our large tracts of forest lands, many of them are not easily accessible.

On this latter point, it is recognized that in eastern Quebec woodlots could be made more economically efficient by speeding up the replacement; that is, by planting improved stock and herbiciding the underbrush. As I said before, eastern Quebec is the Sweden of Canada, because there is good drainage under rolling land which is valuable for quick growth of trees under a Maritime climate with plentiful rainfall and coolness, so profitable to evergreens. As you know, in muskeg trees do not develop very well. Furthermore, we have a highly suitable mean temperature and good accessibility to the forest. All these are factors which should induce us to have intensive forestation, as well as intensive mixed farming so as to render co-existence a full-fledged successful undertaking. Our district is in the proximity of the St. Lawrence Seaway, which permits lower transportation costs, all of which spells co-existence at its best.

Senator HORNER: Are those back lots that you speak of used for pasture for young cattle?

Mr. PELLETIER: No, not at all. There is no summer living there, such as exists in Sweden, for instance, where they have classical forest farming. Only rudimentary habitation exists for the period of winter work, and only then some stock, namely horses, are kept there. Farmers only go there for cutting a certain amount of trees for timber, pulp, fuel and so on. During the remaining seven or eight months of the year they work on the dairy farm, tending the field crops and stock operations.

Senator HORNER: Is it thought that grazing cattle there would injure the young bush?

Mr. PELLETIER: If you are referring to the partial or grove woodlot on the dairy farm where stock is kept, I would say no significant damage has been encountered. The reason is, with our heavy rainfall there is heavy underbush, hence it is difficult for stock to trespass; and furthermore, these grove lots are generally fenced in. Quite true, some of it is often left for stock to give shade, and it is quite likely that little damage would occur there. Again, the classes of stock kept do not include goats, generally speaking.

Senator HORNER: The land is not suitable for breaking up into pasture?

Mr. PELLETIER: Some of it is, provided it is not sloping more than 10 per cent. and not of the lowest order as to natural productivity. As virgin land, it would be considered that most of our forest soils are of no agricultural value, but it is surprising how they could be improved with time through a favourable farm cropping system, including wise grasslanding, as I mentioned before. Likewise, some could now be easily liberated from boulders with bulldozers, and from small-size stones with large mechanical pickers, as has recently been done.

Senator LEONARD: Is there any market in the United States for the products of that area?

Mr. PELLETIER: Well, there are Christmas trees and, of course, the finished products of our forest land goes to paper mills located to the west of our district. The United States buys almost 85 per cent of her newsprint from Canada, and the greater share of it comes from the province of Quebec.

Senator LEONARD: What about your dairy products?

Mr. PELLETIER: They will not buy them from us, because I believe they have a strong protection policy on dairy products in the United States.

Senator LEONARD: What about livestock?

Mr. PELLETIER: We are selling some of our purebred dairy stock, but in rather limited numbers because the province of Ontario seems to have the lead on us in this particular trade.

Senator HORNER: At one time you did sell some milk?

Mr. PELLETIER: Yes, more particularly the eastern townships located close to the international border, and to the medium sized American industrial centres. However, if we go back about a century, we find we had quite a dairy trade with them. That was during their war of 1864 and later, when we sold them butter, cheese, beef, pork, mutton and even French Canadian horses for their cavalry. This temporary trade gave birth to mixed farming in Canada, and in that pursuit my district of eastern Quebec was a pioneer. It also brought us the first progressive measures in agriculture, and from it the first agricultural college in Canada was established at Ste. Anne-de-la-Pocatière, from which many Canadian agricultural leaders originated.

Until 1866 we had a reciprocal treaty with the United States; we were shipping a lot of natural produce which they needed, it is true, but we were also mighty glad to sell them. Wheat was also sold in large quantities from eastern Quebec, which was the first wheat belt on the North American continent. Surprisingly enough, a bushel of wheat then sold for as much as it does today. That wheat belt of course was not located on forest land, but rather on the rich alluvial flats of the St. Lawrence River, which are of a clay type and naturally fertile.

Senator HORNER: That has been the experience. When they need something they are willing to buy, but as soon as their own farmers are ready to supply the same things they immediately put on a tariff against our products.

Mr. PELLETIER: Yes. That is probably the case, but nevertheless at one critical time of our history eastern Quebec farmers were might glad to have that manna, and we only wish history would repeat itself.

Senator McGRAND: I have one other question. There are three sources of income from those farms. One is the livestock; the second is the field crops; and the third is the forest. In what order do you place them so far as their importance goes?

Mr. PELLETIER: As far as an economic importance is concerned, dairy products are leaders, supplying 37 per cent of our total income for the whole of the province of Quebec, and as much as 45 per cent in eastern Quebec. Of course, the crops, green and dry, are consumed on the farms, and so represent little commercial value; but their true value would be to the order of 15 per cent. As to market crops, truck gardening, fruits and so on, the figure for the whole province of Quebec would be about 5 per cent, and for eastern Quebec it would be relatively smaller because only potatoes have a significant rank. I may also add that potatoes coming out of the Atlantic provinces are of good quality. Your question, sir, may have more to do with eastern Quebec?

Senator McGRAND: Yes, for the area we are discussing.

Mr. PELLETIER: As I said, for the entire province of Quebec approximately 37 per cent of the income of the farmers is derived from dairying and for the eastern section 45 per cent. Incidentally, the region I am talking about comprises the twenty counties located between Quebec City and Gaspé town, including both shores. In regard to forestry the income for the whole province of Quebec amounts to \$60 million of which Eastern Quebec takes the largest share, \$28 million. That is forest revenues drawn from woodlots and sold as pulpwood. There is very little in the way of industrial crops. While potatoes

are the No. 1 market field crops, again we share the demand of the metropolis with our neighbouring provinces of the east since we import each year around 7,000 carloads.

Senator HIGGINS: Is land which contains a certain amount of iron better agricultural land on account of that fact.

Mr. PELLETIER: Undoubtedly so, sir, because iron is associated with cobalt in the metabolism of animals and while either one of these minor elements is not essential to plant growth they are to animal health and the best known way to supply stock with them is through feeding crops well supplemented with them.

As I said before, milk comes from the soil and the crops, not from the cows. And I would go even further and add that human beings who drink "iron reinforced milk" need not fear goitre, just like ruminant sheep and cattle getting "cobalt-reinforced roughages" need not be affected by pernicious anaemia.

On this particular question one interesting fact is that the farmers along the Gaspé have been manuring their crop land with seaweed, gathered along the shores of the Bay of Chaleur. There is a field of research as to how the natural end product consumed by humans give them better health. It is generally said goitre is an unknown disease there.

Senator HIGGINS: There is a lot of iron ore in Newfoundland and the cabbage there is very green and the leaves on the trees are green. Would that cabbage be better than the ordinary kind?

Mr. PELLETIER: If it is iron that gives them greenness, and I presume it is, then I would say definitely yes. There is no way to have these mineral elements more highly assimilated by humans and animals than from the natural vegetation source. With these it is not the total that counts but the proportion assimilated.

Senator WALL: Mr. Chairman, I do not know if the witness would care to comment on an observation, but I would like us not to lose sight of the fact that the very sincere presentation of our witness from a smaller region brings to mind very important concepts, so to speak, and almost basic principles.

He has pointed out certain needs in those particular localities, and of course I am thinking of how those needs might be implemented and what agencies besides the co-operation of the operators themselves might enter into this picture? Would it be fair, sir, to ask you whether we are gradually getting away from the concept of plenty, upon which I think we have been operating for so long to a really sincere understanding of the need of conservation and the need of building up the resources we have.

Mr. PELLETIER: There is no doubt that in planning our agricultural future we will have to do it on a regional basis or problem area basis. A coast-to-coast standard program would not be the right formula and I am quite sure the general feeling is such. After all, nature has created the problem, with the co-operation of man to a certain extent, and as you know nature is independent and accepts no other boundaries but her own, even ignoring those of a political structure.

Associated with the local problem are the local people; they in turn must co-operate with outside experts to implement reforms and to reorganize their district. That will be best accomplished, it seems, under a formula of decentralization, for the grouping of farmers in such ventures is a fundamental requisite. Again I say that both technology and human element enter into the procedure.

In regard to our philosophy of plentifulness in Canada I would agree with you that at least we Easterners must devote more attention to ground space than aerial space, for we have serious limitations of good agricultural land

and yet the country is young with more babies coming in great number. I think for the moment in my native province with about 10 per cent of the land being arable the French-Canadians are not losing ground.

If I was a Westerner I would possibly amend my views and, to support this, I would merely reveal that while Quebec is the largest province in total acreage and Saskatchewan is only the sixth, when it comes to agricultural land their respective ranks are reversed.

Again I say that we cannot expand very much more in Quebec, agriculturally speaking, and so we must have a policy of land use not only in this century but at the beginning of the present decade. In fact, from the ramparts of Quebec City looking north one immediately sees wilderness, that is the Laurentian hills at a distance of ten to fifteen miles.

It is quite possible that this philosophy of plentifulness that we have been living under during the past quarter century particularly, originated from our great industrial development of raw, natural resources and selling them easily. But since Canada is a high-cost producing country our export trade would be maintained at a high level providing we exported a lot of our resources in their raw form; hence there is more reason to avoid wasting them and to think more in terms of conservation for whatever is renewable.

Senator WALL: We now have the scientific information in order, for example, to increase productivity to the extent that a small family may be maintained. I am not going to enter into that problem, but suppose some plans were evolved and we were able to increase productivity two- or threefold? Then the problem would be one of how to utilize these things? How would we sell them? Where would we market them? But in the concept of the regional planning that you mentioned, which is basic, how would the governmental agencies be able to best co-operate—that is a very difficult question I know—so that with the assistance of the people in these regions we could attain some of these important goals that we are thinking of, and which were so skilfully woven in your presentation?

Mr. PELLETIER: There seems to be two parts to your question, sir, if I understood you well. First, there is the matter of surplus coming out of greater progress and the question of how to dispose of it; secondly, how to promote the reforms that I mentioned in order to make them profitable and not too costly to the taxpayers?

First of all, progressive measures to help farmers make better use of their land do not necessarily mean to encourage them to increase surpluses which would be hard to dispose of. What we need is a process of selection whereby those farms that have a potential for improvement could be salvaged and those non-economically viable as arable units could either be integrated with others or turned over to reforestation, private dwellings, recreational parks, and so on. At any rate, surpluses are not known to come from family farms but rather from industrialized farms.

However, the present situation cannot go on indefinitely when a good proportion of our farmers are going further and further into debt, fighting a losing financial battle in operating unviable units and anticipating no possible issue if left to themselves. Under such a struggle many enter into an active program of misusing their land, and as you know the land belongs to the nation. On many such farms in my district, modern reforestation, that is planting fast-growing species, resistant to disease and so on, could be introduced. That way, two birds could be killed with one stone.

As a matter of fact, if unemployment does not diminish soon we will have to do something, and, as far as we are concerned, reforestation could be an ideal source of employment. It would give wages now, and in a few

decades hence it will give revenues to children yet to be born; and in the processing and marketing of such forest products the Government will collect taxes.

In that field Canada could very well make more contributions—that is in reforestation, land use, etc.,—for in comparison to the great strides made in scientific achievements in the fields of physics, biology and medicine, we are rather backward, despite the fact that the backbone of our nation and its source of livelihood lies in the proper use of our land.

Senator WALL: I am thinking of our access to other places where the difficulties have been quite similar, and whose solutions we can assimilate.

Mr. PELLETIER: While it may be said we have been a little slow, it should be remembered that we have had things in great abundance, hence we remained lenient toward our responsibility to protect resources for succeeding generations.

We are now at the crossroads, and as times are getting tougher it may stimulate our energy to outline projects; at the same time, the rank and file farmers will become more mellow, will forget their independence and will agree to work more closely with their neighbours, Government officials, etc. Furthermore, we will benefit by the mistakes made by countries that have gone ahead first, and in that way we will do a better job at home. We should not remain independent, preferring our own experimentation to the experience of others.

Senator WALL: I do not wish to pursue the point, but I am still not satisfied. What I am thinking may be put this way: let us take 50 farmers gathered at a meeting, they have been apprised of their difficulties, they know their problem areas, they are alerted to them, and they would like to do something about them, perhaps along the line of grassland farming and so on. In those circumstances what may they expect from governmental agencies, how much can they do themselves, and to which governmental agencies should they look to get assistance and guidance so that they go ahead and do the job?

That is the context of my question. In other words, I am thinking of it from our point of view: what are the lines of approach.

Mr. PELLETIER: The right lines of approach, it seems, would be very much as we have already explained with respect to the nature of reforms. Now, if you are referring to the machine to activate same, I am not the one to answer that question. One sure thing is that a governmental agency must be set up to operate with groups of farmers with a view to solving problem areas. Under this machine farmers will be assisted to help themselves. It will not be a simple task, yet it must be done, tough though it is as a new venture. Beaten paths are for beaten men, they say. Yes, the job is big, and that is the reason it was put into the hands of big men.

Senator WALL: It is not just a question of making a lot of credit available; it is a deeper and wider problem.

The DEPUTY CHAIRMAN: If there are no further questions, I would ask one honourable senator to express the appreciation of the committee to Mr. Pelletier.

Senator HIGGINS: I have much pleasure in expressing our thanks to Mr. Pelletier.

—Whereupon the committee adjourned.

3rd Session, 24th Parliament, 1960

THE SENATE OF CANADA



PROCEEDINGS
OF THE
SPECIAL COMMITTEE OF THE SENATE
ON
LAND USE IN CANADA



No. 8

WEDNESDAY, JULY 13, 1960

The Honourable Arthur M. Pearson, Chairman
The Honourable Henri C. Bois, Deputy Chairman

REPORT OF THE COMMITTEE

APPENDIX "C"

List of Witnesses, 1960 Session.

SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

The Honourable Arthur M. Pearson, *Chairman*

The Honourable Senators

Barbour	Higgins	Power
Basha	Horner	Smith (<i>Kamloops</i>)
Bois	Inman	Stambaugh
Boucher	Leger	Taylor (<i>Norfolk</i>)
Bradette	Leonard	Taylor (<i>Westmorland</i>)
Buchanan	MacDonald	Turgeon
Cameron	McDonald	Vaillancourt
Crerar	McGrand	Wall
Emerson	Méthot	White—31.
Gladstone	Molson	
Golding	Pearson	

(Quorum 5)

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate.

THURSDAY, February 11, 1960.

"The Honourable Senator Aseltine moved, seconded by the Honourable Senator Macdonald, P.C.—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White.

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, July 13, 1960.

Pursuant to adjournment and notice the Special Committee of the Senate on Land Use in Canada met this day at 11.00 a.m.

Present: The Honourable Senators Pearson, *Chairman*; Bois, Deputy Chairman; Gladstone, Higgins, Inman, MacDonald, McDonald, McGrand, Taylor (*Norfolk*), and Turgeon.

The Committee considered a draft Report prepared by the Steering Committee.

After discussion, and on motion of the Honourable Senator MacDonald, the said Report was adopted.

At 12.00 Noon, the Committee adjourned.

Attest.

James D. MacDonald,
Clerk of the Committee

REPORT OF THE COMMITTEE

WEDNESDAY, July 13, 1960.

The Special Committee of the Senate on Land Use in Canada make their second Report as follows:—

1. ORDER OF REFERENCE

The following resolution was adopted on February 11, 1960, by the Senate:—

"That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the income of those engaged in it;

That the Committee be composed of the Honourable Senators Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Methot, Molson, Pearson, Power, Smith, (*Kamloops*), Stambaugh, Taylor (*Norfolk*), Taylor (*Westmorland*), Turgeon, Vaillancourt, Wall and White;

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the enquiry;

That the Committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the Committee."

A Steering Committee was appointed as follows:—

The Honourable Senators Pearson, Chairman; Bois, Deputy Chairman; Basha, Cameron, Inman, McDonald, Smith (*Kamloops*), Taylor (*Norfolk*), Taylor (*Westmorland*) and Wall.

Following the work of the enquiry at the last session in which the focus was directed towards the problem of the small uneconomic farm unit and especially with the social consequences thereon, the Committee continued to confine its attention to ways and means of helping this segment of the economy in Canada. The Committee does not intend to restate its findings relative to the small farm problem in Canada but wishes to refer you to its report on July 8, 1959 for a full account. The views of the Committee in this complex section of land use under its term of reference are brought together in this report. The submission of a final report of the Committee is planned during the next session when the many briefs on the broader areas of land use and some other related aspects will be explored to round out the full scope of the terms of reference.

One of the recommendations in the last report of the Committee (Printed Proceedings No. 12, July 8, 1959) resulted in the sending of a delegation by the Canada Department of Agriculture to the United States "to study and

report on the Rural Development Program" in that country. The delegation consisted of Dr. J. F. Booth, A. E. Barrett, S. F. Shields and R. A. Stutt, a group of highly qualified men.

The study was made in the fall of 1959 and the delegation reported at the first and second meetings of the Committee of this session (Printed Proceedings Nos. 1 and 2, March 3 and 10, 1960). The report is very comprehensive and ably drawn up. It has been praised by persons in the United States concerned with rural development as one of the fullest and most objective studies of the program. To all Senators who have an interest in land, and people in rural areas, be it agriculture or forestry, this report is recommended for most serious contemplation.

The Committee then decided, with this background of information dealing with the operation of the United States Rural Development Program to make a brief enquiry into some of the comparable fields of activity in Canada whether undertaken by federal, provincial or local governments, public bodies or private citizen groups. These fields were industry and labour, forestry, recreation and tourist trade, education, leadership, public problems as well as agriculture. Some of this work was presented at previous sessions. The information at hand enabled the Committee to get a brief but broad picture of present programs and sources of help to improve conditions in rural areas. This was particularly covered in the case of activities under the direction of various federal departments. The same procedure used in previous sessions of the Committee was adopted and witnesses were invited to describe activities of their respective department or agency.

In addition to the information presented by the delegation of the Canada Department of Agriculture, two experts in the Rural Development Program in the United States appeared before the Committee on March 31, 1960 (see Printed Proceedings No. 5). These men were Paul V. Kepner, Deputy Administrator, Federal Extension Service, United States Department of Agriculture, Washington, D.C., and Sherman Weiss, Northern Area Resources Development Specialist, Hayward, Wisconsin. They corroborated the analysis made by the Canadian delegation and added further explanation and personal experiences on the operation and accomplishments of the Program.

One important and final link in the agenda of the Committee for this session was not completed. It was planned to bring representatives of the extension services in each province under the Agriculture or Education Departments of the provincial government or the universities to Ottawa to describe their extension programs, problems, and plans for improvement and expansion; also to obtain their views as to the appropriateness of an approach similar to that taken under the Rural Development Program in the United States. This action was not carried out, however, at this time.

A total of nine meetings were held at which 22 witnesses were heard. These witnesses were supported by 11 other persons at six of these different meetings. A total of 236 pages of evidence was presented to the Committee.

The Rural Development Approach to Improvement of Conditions in Low Income Areas

The Program is a relatively recent attempt to carry out a national policy of farm, industry and community development in disadvantaged rural areas. Through the Program the national administration is able to increase the usefulness of all the many regular technical and financial assistance programs. This is accomplished under the auspices of local area committees and in which the local people are organized under local leadership and contribute time, resources and talents. The emphasis of this particular approach is on self-help with aid from federal and state governments and private bodies. Common problems are solved by all elements of society in a community uniting in a

fact finding, analysis and action type process. In this process, inventories and studies are made of the resources of the community, the results of the studies are brought forward and discussed by all concerned, plans are formulated and considered, and action programs are undertaken. In all these stages, federal and state governments and private bodies act in a supporting role.

Two fundamental facts are basic to the concept of rural development in the United States. While it is possible to expect some increase in farm income and to improve living conditions through developments with agriculture, it is pretty well accepted that the best opportunities for area economic development are found in fields outside the agricultural economy. This follows partly from the limitation of agricultural resources in the counties chosen for rural development but mainly from the higher economic activity and employment possibilities, and income generating effect of other resource development. Secondly, due to increased output of agricultural products per worker resulting from technological and scientific advances less people are needed on farms. This makes the need for development of gainful employment opportunities in other fields imperative if serious under-employment conditions are to be avoided. These two conditions are also applicable to the situation which prevails in Canada and the extent to which farm families are able to supplement their incomes from non-farm sources depend largely upon the availability of job opportunities.

The responsibility for rural development in an area rests with local people therein although the selection of the pilot counties was made by state departments. This was done to focus the efforts of the federal and state governments and others on the dire need for improvement in these counties and to get the program underway. All the research, technical, advisory help and financial assistance under the regular programs were directed to these areas. In this process the key link is the co-operative federal-state extension service. The extension agents are in a position to supply the state committee with services that help to lay the groundwork for discussion, help implement committee decisions and improve co-ordination among the various agencies and organizations.

As previously mentioned the principal avenue to facilitate the Program is the formation of county or area development committees. These are really planning groups of local citizens within the local communities such as farmers, businessmen, bankers, county officials, professional men, church leaders, educationalists, youth and so on. In essence, these committees are not too much different from many community charitable and promotional organizations except that they are co-ordinated with federal and state organizations and agencies in the furtherance of development and assistance programs. They serve to direct attention to basic economic and social needs, to co-ordinate and unite the efforts and objectives of all elements in society and to bring the rural and urban sections of the population together as a team.

Local chambers of commerce and other groups of this type in the United States often perform the tasks of county and area committees, at least the duties of specific subcommittees, such as industrial development, tourist trade, marketing and so on. Where these exist they are usually utilized within the general framework of the local rural development organization.

A similar position was pointed out in the brief of the Canadian Chamber of Commerce (Printed Proceedings No. 6) with regard to the work of the local chambers in Canada. It was indicated that 54 per cent of the local chambers in communities in the 5,000 or less population category currently had industrial development committees; 48 per cent had tourist committees; and 40 per cent had agricultural committees. Many of the chambers and boards have developed the area of rural-urban co-operation. The Canadian Chamber of Commerce believes that "the resourcefulness of individual freedom and in-

dividual enterprise is the true way of ensuring the highest possible standard of living for the whole Canadian people." The report of the Canadian Chamber of Commerce concludes with a statement of support in the concept of rural development in these gratifying remarks.

"... when the problems of the rural community come to be better defined, the Chamber of Commerce movement, both at the national and particularly at the local level, will be ready and willing to make a contribution to the solution of these problems. We believe strongly that the individual should always be given the opportunity to help himself and that by joining with others in his community, a considerable contribution can be made, with the concomitance of greater maturity, greater self-reliance and greater initiative."

A resource development program along the lines of the Rural Development Program would be difficult to achieve, if not nigh impossible in the United States, without the widespread and extensive means of reaching the people through the co-operative federal-state extension service. This service is the third phase of a well conceived and developed federal-state arrangement to provide the people in the United States with useful information on subjects connected with agriculture. It joins the educational program developed through the state experimental stations to provide an outstanding degree of integration and co-operation of assistance to people in rural areas. These are financed on a joint basis with a very large share provided by the federal government. In the case of the extension service the local counties contribute part of the costs along with the federal and state governments. At the present time throughout the entire country the federal government contributes about 38 per cent of the cost of extension and the balance is shared between the state and the county on a three to two basis.

This arrangement assures that the people are provided with the latest findings and services of the federal and state governments. The account found in the report of the delegation to the Committee (Printed Proceedings No. 1) gives an indication of the work of the county extension agents on matters of organization, encouragement to local participation, passing along of research information, providing of secretarial and other administrative support. Since the launching of the Rural Development Program additional funds have been provided by the federal government so that rural development agents can be employed to facilitate the expanded duties of the county extension offices. While the main role of an extension agent is to provide leadership, technical counsel and guidance, the rural development agent is in a little different position in that he represents all the federal agencies that have a contribution to make to the Program.

The experience in the United States shows that the subcommittees of the main county or area development committees are most effective when formed to deal with specific matters. They develop more interest and involve more people who are directly concerned with the projects. This creates a real personal feeling and desire to achieve the objective. The various types of subcommittees vary with the problems of the area and the desire and decision of the local people to do something to alleviate the conditions. In general they deal with specific tasks in agriculture, industry development and promotion, tourist trade, education, health and welfare and community facilities and many other and varied fields.

The report of the delegation which outlines the United States Rural Development Program shows that all elements of the population in the counties with unfavourable physical or declining resources have been able to find a common cause and reason for improvement, and the businessmen, bankers and professional people have combined with farmers in a broad attack on

the problem. Mr. Paul V. Kepner, Deputy Administrator of the Federal Extension Service, United States Department of Agriculture, summed up this important attainment in these words, "Perhaps the most fundamental, although somewhat less tangible than other more specific accomplishments, is the development of awareness on the part of the local people that if they collectively go about appraising their local problems and devising remedial measures, they can do much to improve their welfare. This has been accompanied by a dedication to do whatever is necessary to attain their own determined objectives."

The report lists projects to encourage small business development: the expansion of forestry operations; the creation of additional resort areas, parks and recreational facilities, the building of highways, access roads and improved waterways; as well as projects to improve agriculture. All of these and many others have created work in the community, provided income from the sale of products and use of facilities by people outside the immediate communities, and enabled a higher level of living for the residents.

Tangible evidence of progress and accomplishments indicated by Mr. Kepner was as follows:

- (a) the establishment of new small industries or expansion of already existing ones, thus providing new employment opportunities and increased incomes not only to those directly employed but also to support industries and other activities and services in the area;
- (b) industrial training courses have been started in some rural high schools better to prepare the youth of the area for employment outside of agriculture. This is not in replacement of vocational training in agriculture, but in addition thereto. Some out-of-school training courses have been provided for adults to equip them to obtain industrial type employment, either locally or elsewhere, on either a part-time or full-time basis. Definite programs have been undertaken to encourage youth to continue their formal education with gratifying results;
- (c) recreation and tourist facilities and services have been improved in several areas, not only for the benefit of local residents, but to attract a greater percentage of the growing tourist business to several of these areas which have a wealth of natural attractions for tourists;
- (d) needed agricultural marketing and service facilities have been established, thus permitting more effective and economical handling of locally produced agricultural commodities. This has permitted the introduction of some specialty crops in some areas and expansion of commercial production of certain standard crops in others;
- (e) reforestation and improved forestry management has been very extensively developed in natural forestry areas, thus improving the income from this important crop;
- (f) the Extension Service and other agencies have intensified their efforts to be of assistance to farmers on small units to the end that they are being enabled to make better use of such agricultural resources as they have available to them or can acquire. Likewise, residents of these areas are tending to make greater use of such assistance than previously;
- (g) agricultural programs of the various agencies of the Department have been modified better to serve the long-time needs of these particular areas and small farmers;
- (h) the Department of Labour—and this is a very substantial development—is exploring ways in which their labour placement and coun-

selling service can be adjusted to be of greater service to the underemployed people of these areas, and in turn to the nation;

- (i) the Small Business Administration is doing an effective job in providing financial, consultative, and training services to small industries in rural areas, thereby helping to provide additional employment opportunities and increased incomes. Probably of equal significance, however, was the technical assistance and counsel provided small businessmen and development groups in these rural areas;
- (j) a noticeable tendency is evident to make more extensive use of existing public facilities and services, such as public health facilities and services and the Social Security Program, which prior to the inauguration of the Rural Development effort, were not utilized by a large percentage of the residents of these areas.

The United States experience indicates clearly that the services and aids provided under the regular government programs are more effectively applied in counties and areas when rural development committees exist. These are noted for a wide range of things such as conservation; co-operatives; credit; employment assistance; extension education; financial aid and social services for people who cannot support themselves; forestry; agriculture; health and sanitation; social security, Indian programs; industry development; marketing improvements; research; vocational training; and water resource development.

The process under the Rural Development Program is (1) one of local people of an area recognizing a need, (2) focus of local interest upon the larger concept of a total community, which includes all aspects of the economy as well as agriculture, and (3) involvement of every agency and person in accomplishment of the objective.

The organizational set-up from the national levels is of a loose nature and the main reason for this seems to be to avoid a policy of direction from the top and to assure the availability of all technical and financial features of the programs in all the departments. It also provides an atmosphere of co-operation for various federal and state people at local levels. This is an extremely interesting concept for rural development where the responsibility for the different duties of government are divided between federal, provincial and local bodies. Without this concept the tendency would be to work separately and probably in isolation.

In summary, it might be stated that three main approaches are used under the Program to improve conditions in low income areas of the United States. First, economic and social betterment is being sought by emphasis on total area development. The range of activities goes much beyond the traditional framework of agricultural policies, programs and extension services. As a matter of fact in the low income areas major emphasis is now largely directed to non-agricultural fields such as forestry, industry and labour, tourism and recreation, education, public problems and leadership. Secondly, the services of government departments and agencies have been co-ordinated, redirected, refashioned and focused on rural development through direct lines of communications of state and local committees so as to hit at the places of need. From an administrative point of view this has been one of the biggest benefits of the Rural Development Program. Under this new arrangement through contacts with members of the whole community, the extension service now also serves the wider needs of other non-agricultural and development problems of the community. The placing of additional rural development agents in the pilot counties has allowed the expansion of these services by the motivation of local effort through the various sub-committees. Thirdly, a basic tenet of the Rural Development Program is the belief that local people can do things to help them-

selves if they are provided with motivation, leadership and financial aid. This is being done under the guidance of the federal-state extension service and the help of many community-minded leaders. A principal advantage of uniting local people for team effort is the harmonization of the needs in the community with the capabilities of the people and other resources.

The study of the Rural Development Program in the United States indicates that a wide variety of projects are underway in low income areas with the purpose of utilizing the land resource to best advantage, improving the income levels of those who wish to remain on the farm, a widening of the economic base and creation of additional job and income opportunities, and to assist and prepare a large section of the people on inadequate farm units for the adjustment to non-farm occupations. In the short time the Program has been underway it appears that much has been accomplished to improve the welfare of the people.

The Honourable Alvin E. Hamilton, Minister, Department of Northern Affairs and National Resources, outlined for the Committee plans for a program of papers and discussions at a "Resources for To-morrow" Conference relative to land and water use and conservation in Canada (Printed Proceedings No. 4). The purpose of this conference is to set out the principles and machinery at hand by which appropriate policies might be established to guide and carry out a program of development of all renewable resources. The Minister pointed out that there was a definite connection between the work of this Committee and the objectives of the "Resources for To-morrow" Conference. The connection arises in part from the fact that Agriculture and land use will receive extensive consideration at the Conference and, in this, the reports of the investigations of the Special Committee of the Senate on Land Use in Canada will play a significant part.

The particular circumstances of the small farm problems of a large section of Quebec, particularly the Eastern Townships and the Gaspé Peninsula, were described to the Committee at this session by Dr. J. R. Pelletier, Superintendent of the Experimental Farm at Ste. Anne-de-la-Pocatière. The importance of forestry as compared with agriculture from a land use standpoint was noted as well as the lack of industrial development in this section of the Province. Stress was laid on the need for reforestation and improved forest management and cutting practices; agricultural cropping and cultural practices including rotations; and the joint development of forestry and agriculture on individual farms as income from either use alone is usually insufficient for family needs.

With regard to the possible establishment of a rural development Program in Canada, the observations of two federal departments which appeared before the Committee are pertinent and reassuring. Part of the brief of the Canada Department of Labour (Printed Proceedings No. 6) dealt with the problems of people in low income areas and briefly outlined a procedure which is similar to the one used in the United States Rural Development Program. In this connection Dr. Haythorne said "In considering resources utilization in an area, a critical and full examination of what there is to work with in an area is essential. An active involvement of the people directly concerned should also be secured. There are important prerequisites before it can be known whether people should be moved elsewhere or not. It is a matter essentially of examining the basic physical and human resources and the prevailing conditions in these rural areas where low incomes prevail across the country, and then developing co-ordinated plans, where it is sound to do so, to help these areas through re-organization of their farms, through the development of other industries, through training and other programs. With such an approach, it might be said with some confidence, that it is sensible for a positive program of redevelopment to take place in this area, or that it would be advisable in the

interests of all concerned to have fewer human resources devoted to agriculture and that steps should be taken—on a practical basis and with active co-operation of all the people concerned—to have these human resources shifted elsewhere.”

It was pointed out in the brief of the Canada Department of Trade and Commerce that “the major crux of the study (of the Senate Committee) lies in the agricultural field and the opportunities open to younger people to engage in agriculture and in this connection we are faced with economic trends in agriculture, which are moving more to urban rather than rural development”. The contributions of the Dominion Bureau of Statistics, the Economics Branch, the Small-Business Branch and the Industrial Development Branch of the Department of Trade and Commerce to a rural development program in Canada were noted. It was indicated that the initiative in co-ordination of a rural development program would probably lie in the field of agriculture and the role of the Department of Trade and Commerce in any plans would be to assist more efficiently, industry and commerce throughout Canada.

RECOMMENDATIONS

Whereas there is a need of elimination of problem areas in Canada where farm businesses are small, productivity low and incomes inadequate for family requirements:—

The Committee recommends,

- (1) (a) That further research be undertaken to define more clearly the nature of the problem in low-income areas and to pinpoint their location.
- (b) That a Federal-Provincial Rural Development Program be instituted to deal with areas of greatest need.
- (2) That in implementing such a program the provincial governments participate on a cooperative basis; such cooperation to include the principle that both provincial and local authorities assume major responsibility for the identification of problems and needs of local areas and the initiation, planning and development of appropriate action programs.
- (3) That the Federal and Provincial governments cooperate in assisting any such program with financial and technical assistance, said financial assistance to be provided through a cost-sharing agreement.
- (4) That the Federal and Provincial governments provide for a larger farm-management service and expansion of educational facilities with particular emphasis on leadership to ensure a prompt dissemination of the research results to those farmers who will be most benefited therefrom.
- (5) That there should be some form of coordination of Federal Departments of Agriculture; Northern Affairs and National Resources; Health and Welfare; Labour; Trade and Commerce; Fisheries; Forestry; and Citizenship and Immigration with regard to activities under a Rural Development Program.
- (6) That the Special Committee of the Senate on Land Use be reconvened at next session of parliament to study water conservation, drainage, forestry, encroachment of cities and industrial areas on agricultural lands and also invite the Extension Services of the Provinces to describe their Extension Programs, problems and plans for an improvement and expansion; also obtain their views as to the appropriateness of an approach similar to that taken under the Rural Development Program in the United States.

All which is respectfully submitted.

ARTHUR M. PEARSON,
Chairman.

APPENDIX "C"

List of Witnesses appearing before the Special Committee of the Senate on
Land Use in Canada

Third Session, 24th Parliament, 1960

Printed Proceedings No. 1

Canada Department of Agriculture

Mr. S. C. Barry, Deputy Minister
Dr. J. F. Booth, Director, Economics Division
Mr. A. E. Barrett, Assistant to the Director General, Research Branch
Mr. R. A. Stutt, Head, Land Economics Unit, Economics Division

Printed Proceedings No. 2

Canada Department of Agriculture

Dr. J. F. Booth, Director, Economics Division
Mr. A. E. Barrett, Assistant to the Director General, Research Branch
Mr. R. A. Stutt, Head, Land Economics Unit, Economics Division
Mr. S. F. Shields, Regional Director, Prairie Farm Rehabilitation
Administration

Printed Proceedings No. 3

Waterloo University College, Waterloo, Ontario

Professor Ralph R. Krueger, Ph.D., Chairman, Department of Geog-
raphy

Printed Proceedings No. 4

Federal Department of Northern Affairs and National Resources

The Honourable Alvin G. Hamilton, P.C., Minister
Mr. E. A. Cote, Assistant Deputy Minister

Printed Proceedings No. 5

Cooperative Extension Service, United States

Mr. Paul V. Kepner, Deputy Administrator, Federal Extension Serv-
ice, United States Department of Agriculture, Washington, D.C.
Mr. Sherman Weiss, Northern Area Resources Development Specialist,
Hayward, Wisconsin

Printed Proceedings No. 6

The Canadian Chamber of Commerce

General R. Holley Keefler, Chairman, Executive Council
Mr. W. J. McNally, Manager, Policy Department
Mr. J. S. Whyte, Chairman, Agricultural Committee
Mr. R. F. Richardson, Manager, Organization Service Department

Federal Department of Labour

Dr. George V. Haythorne, Assistant Deputy Minister
Mr. Ross Ford, Director, Training Branch
Mr. William Thomson, Director of Employment Service, Unemploy-
ment Insurance Commission

Federal Department of Trade and Commerce

Mr. James A. Roberts, Deputy Minister

Mr. C. V. Parker, Director, Agriculture Division, Dominion Bureau of Statistics

Mr. Morgan Mahoney, Assistant Director, Small Business Branch

Mr. Basil Hayden, Director, Industrial Development Branch

Mr. A. D. Holmes, Director, Prices Division

Mr. V. J. Macklin, Director, Economics Branch

Printed Proceedings No. 7

Experimental Farm, Ste. Anne-de-la-Pocatiere, Quebec

Dr. J. R. Pelletier, D.Sc.

Government
Publications

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Special Committee on Land
Use in Canada
Proceedings.

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